With Porcupine Mining Supplement

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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INDUSTRY LOWERS PRODUCTION COSTS TO BUILD SALES

Rather Than Basing Prices on Supposed Minimum Output Costs

GOVERNMENTS ALSO

Bankers Normally Conservative Now Unanimous in Statements of Trade Recovery

That many Canadian industrial concerns are seeking "better business" in a reversal of internal policy rather than waiting for business to do the improving, is evident from the experience of leading firms. Basing production costs upon possible market returns rather than setting prices by output costs, and considering the latter fixed, is solving the bad business problem. This week an industrial concern of thirty years standing informed The Financial Post that it has been able to turn a deficit year into a surplus year in the manner suggested.

The firm in question—and it may be taken as representative—had followed the policy of setting down the total cost of production as fixed, and basing prices thereon. In the realm of economic and business theory, this principle has long since been abandoned. But there are many Canadian firms still attempting to follow it. It is wrong in two fundamental respects. In the first place cost of production is not what determines prices. It is only one factor. In the second place, production costs are by no means fixed and static. It was a realization of this fact that led the executives of the firm in question to commence experimenting upon their internal costs with a view to lowering them. They had found that the public were not willing to buy their goods in large enough quantities at the existing price. Rather than attempting to force a larger distribution at the existing prices, they studied the situation to find whether some concession could not be made to the buyer. The only apparent means was to cut down costs. A study of the situation revealed certain points at which reductions could be made. This was done, and the price level adjusted accordingly. As intimated above, a much larger volume of the product was sold and the profits of the firm increased accordingly.

Governments Also Reverse Policy

The same is true of the various governing bodies, whether federal, municipal or provincial. The past policy has been to base taxation upon the amount of money expended rather than to base expenditures upon the volume of money that can be taken from business without placing an undue handicap upon it. This factor has rarely been taken account of in the past, and business has suffered accordingly. Fortunately certain of the governing bodies in Canada are beginning to base their expenditures upon the amount of money available, and this means a study of the situation which is likely to lessen the burden upon business and industry.

Such action as that suggested, when co-operated in both by business firms and by governing bodies, is the best assurance of better business, and the indications that it has already become operative from both quarters are encouraging.

Definite Turn for Better

A strong indication that better conditions have commenced is seen in the unanimous statements of the leading bankers of the country with regard to business. Normally conservative in their expressions, it is a long time since they have committed themselves in such a decided manner with regard to the favorable business outlook. Although the loans of the chartered banks are at an extremely low level, and there would seem to be great difficulty in finding satisfactory employment for their funds, the bankers have committed themselves to the statement that a definite turn for the better has taken place. It is evident that they have other means of estimating the actual position of business, and their opinion is decidedly worth noting.

Bank Stocks Rise and Merger Talk Revives

In connection with the rather significant performance of the stocks of the Dominion, Toronto, and Imperial banks during the past week, in moving to high levels above the best prices of last year, there has been a revival of rumors of negotiations looking to a further merger or mergers affecting a number of the banks outside of the "big four."

While no information can be obtained to indicate that there are definite plans being worked out there has been a feeling in financial circles that, with the advantages in regard to overhead costs accruing to the big banks, the movement in the direction of one or more institutions of proportions more in keeping with the members of the "big four" group would be continued.

Canada Landed is Expected to Decide on Offer Shortly

The fifty dollar shares of the Canada Landed and National Investment Company have this week sold up to one hundred dollars. On this basis they return only 5½ per cent. to the holder when both dividend and bonus are taken into consideration. In view of the conditions in the mortgage business in Canada it is generally accepted that this movement indicates that some definite action is to be taken shortly in regard to the definite offer which has been made for the company by one of the big loan and trust organizations. Some decision will probably be reached about the time of the annual meeting. The company is in a very strong position from the standpoint of investment assets.

MT. ROYAL HOTEL ISSUE TURNS ON VOTING CONTROL

Rumored Rival Interests Seek Majority Control Through Preference Shares

Not much light has yet come to the general public in regard to the actual factors involved in the proposed recasting of the capital of the Mount Royal Hotel Co. One rumor, unconfirmed, and without any official sanction has it that rival interests in the hotel business were acquiring a large portion of the outstanding preferred stock and were endeavoring thus to secure control of the hotel by obtaining a majority of the voting rights. To meet such a situation, says the rumor, the common stockholders proposed the new capitalization plan in order to retain control.

Whether or not there is any truth in such speculation, it seems clear that the difference of opinion now existing turns upon the voting rights of the preferred stockholders. The new plan involves the replacement by a long-term general mortgage bond issue, and an income bond issue, of the outstanding preferred stock and convertible debentures. There are some 68,000 preferred shares and 60,000 common shares outstanding. According to an open letter issued by W. A. Mackenzie in reply to the circular sent out by the hotel company, the United Hotels Co. and its subsidiaries and associates apparently own about 35,000 common and preferred shares. Since practically all preferred shareholders also own common stock, the latter own approximately 95,000 voting shares. According to this letter, if the preference shares are cancelled and the voting rights disappear, the preference shareholders will, through their holdings of common stock, represent less than half of the then

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DUNNING FOR THE RAILWAYS PORTFOLIO

That is if He Decides to Cast His Lot in the Uncertain Federal Arena

Special Correspondence.

OTTAWA. — Should the government be able to maintain its position in the house and secure assurances of a continued—even though precarious existence—it is expected that Western representation in the cabinet will be increased by the inclusion of Premier Dunning of Saskatchewan. Two phases of the situation may have a bearing on Mr. Dunning's decision. In the first place, while he is known to have federal political ambitions, he is most astute, and not likely to make the change from his comparatively strong position in the West without reasonable assurance that the government can carry on. In the second place there has been dissatisfaction among the Progressives in Saskatchewan on the ground that Premier Dunning abandoned his position of neutrality in Dominion politics during the recent election and already a convention has been held and plans made to have the party take an active part in federal affairs. There had been something like an unwritten understanding that the Progressives would leave the provincial field to the Liberals so long as the latter kept out of the federal arena. In view of the disturbance of this understanding it may be that Mr. Dunning will decide that his influence is required to hold the provincial fort.

If Mr. Dunning joins the King government he will undoubtedly add much to the strength of the cabinet. It is understood that he has been promised the railways portfolio. His handling of the great railway problem of the government would be followed with much interest. He is not lacking either in courage or ability and would undoubtedly do something to improve the present situation, and relieve the drain on the taxpayers. He could be expected to see that the government carries out its promise regarding the Hudson Bay Railway, although he has favored nothing beyond the actual completion of the road itself—at least until the venture has justified itself.

The Only Way—Election *Now*

THERE is one possible way out of the most disagreeable situation in Canada's political history—an election NOW. This is the view of most Canadian business men.

Insistent as is this demand from coast to coast that Canada be given another election, the cry falls on deaf ears at Ottawa. The turmoil at the House drowns the voice of an exasperated people.

The last election proved only that Canada is tired of its major groups of politicians. It was so much a defeat of these groups that it could not be a real victory for any group as constituted and led. The country voted against its chief political personalities not because of lack of faith in their policies but because of the insincere manner in which their policies were, in the main, offered and because they failed to recognize some of our most important national needs in shaping their platforms. A national policy that would win support from all groups in Canada would not be hard to crystallize from the seemingly diverse offerings of the various groups. Canadians are not at odds on the major problems of the day—taxation and immigration—and not so far apart as people think on the tariff and railway questions.

The deplorable fiasco at Ottawa since January 6 has strengthened public dissatisfaction with the present heads of the country's political groups. It has done more; it has made Canadians lose faith in our present parliamentary system; a system that enables a hybrid majority to rule after clear defeat.

There is only one compensating gleam of silver. Every day that parliament wrangles sees nails driven in some important political coffins. Every day of cheap political controversy and inane speech-making adds to the exasperation of the public. Canada is beginning to anger. There is a rising flood of public disapproval that threatens to sweep many of our so-called national leaders into eternal discard. Let the self-impressed heads of our political organisms beware; the hands that cast the ballots are arming for a political massacre. Give Canada but one man, or one idea; or one group to fire public imagination and the men who are now making the House of Commons a horrible example of parliamentary government at its worst will find themselves washed up on a cruel, lonesome shore.

Needed to-day is a spirit of self-sacrifice in public affairs. The old dictum that the first duty of a government is to hold office needs considerable revision. The first duty of a government at this time of crisis is either to lead—lead firmly and well—or give the people a chance to elect a leader and government that will. But there is no evidence that public welfare is held by many members above personal position—and even personal profit.

Such a spirit of sacrifice—such a willingness to sink self beneath country to bring about a situation that will enable public needs in legislation to be met is necessary—as necessary as it is now absent.

The present deadlock is an interesting academic study for the student of constitutional procedure. It is a rare treat for the cartoonist and paragrapher. But it is a maddening and grim reality to business men and the country generally.

Let us start all over again. We have had our election and failed to get what we wanted. There is now one thing left to do—try again NOW.

Canada must have another election soon. Let us have it now and get to work.

Ontario's Hydro Enters New Era; Protection of Investment Big Job

Province's $300,000,000 Stake Must be Guarded and Growing Power Demands of Industry Must be Met — Enterprise May Henceforth be a Less Popular Political Bandwagon — Mr. Magrath Has a Big Job

THE province of Ontario has a total public debt of approximately $300,000,000. This is greater than the combined public debt of any two other provinces. It does not fall greatly short of the total public debt of Canada before the war. It is an immense sum of money.

Three hundred million dollars is approximately the sum of money that the people of Ontario have invested in publicly owned power undertakings. Three hundred million dollars of funds raised by the sale of provincial and municipal securities has been put into power plants, transmission lines, electric railways and distribution systems under the immediate or indirect control of the Hydro Electric Power Commission of Ontario. The money has been invested over a term of nineteen years—fifteen million dollars a year. It represents a hundred dollars for every man, woman and child in the province and averages considerably more than that that for the residents of those parts of the provinces that are served by public power.

Success or failure of Ontario's hydro electric power enterprise affects Ontario's social, industrial and economic life to a greater extent than is generally realized. In the public excitement of bringing the hydro-electric enterprise from an idea to a commercial institution, exceeded in investment and scope of operations only by two other business organizations in Canada—the Canadian Pacific Railway and the Canadian National Railways—the extent to which the people of the province have mortgaged their assets to provide themselves with power has been widely overlooked. Ontario has given no half-hearted co-operation to the hydro leaders. It has given them wide powers; has made the hydro leaders supreme even above the courts of the land; it has given them free and unhampered scope to build and spend as they have seen fit and has backed them with an amount of money that matched their vision and their ambitions.

A Period of Readjustment?

For twenty years Hydro has grown without restraint. But no such organization has ever been built before with such rapidity and with such little real resistance from any substantial group of the people without some period of readjustment. This does not necessarily forecast "a day of reckoning" for the Hydro. Nor is it a gloomy promise of collapse of the whole enterprise. But Hydro has reached a new era.

It will continue to grow. It must continue to grow because, whether one subscribes to the theory that public ownership of power development is sound or not, Ontario has thrown its lots in with public ownership of power, and the public mind will not accept a sudden reversal of policy. Undoubtedly Ontario will turn more and more to the encouragement of private initiative in power development, and certainly in power distribution, but it will not be an immediate volte face. That means

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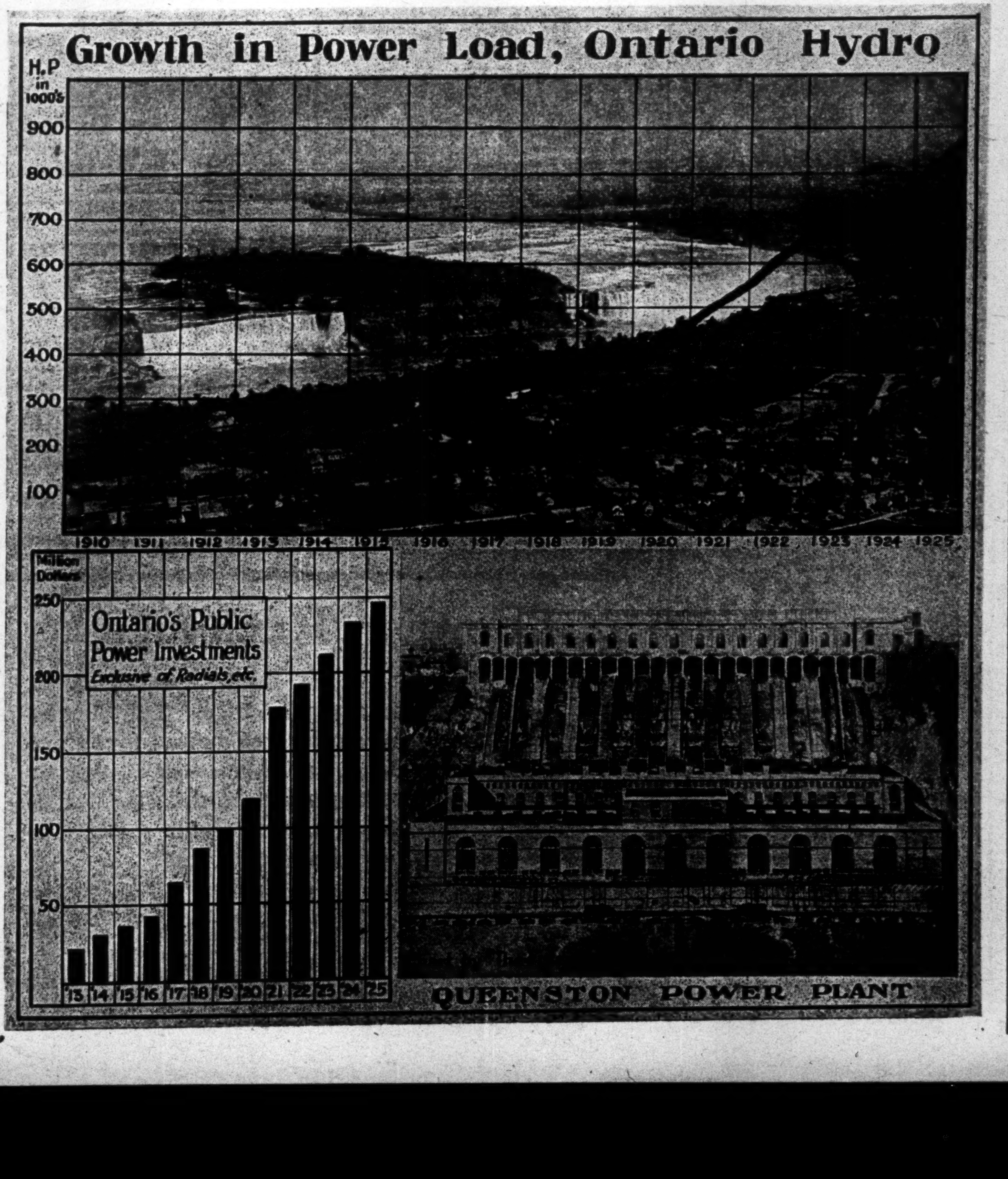

SAYS HUDSON BAY LINE NO AID TO WESTERN FARMER

Dr. MacGibbon Gives Hard Facts at Saskatchewan Convention

ST. LAWRENCE ROUTE

Another Project for Which Too Much is Promised — Other Unsound Demands From Sectional Interests

From Our Own Correspondent.

SASKATOON. — Expressing the opinion that the Hudson Bay route, which now seems likely to be completed at an early date, would not for a long time, if ever, be of much importance to the grain growers of the West unless heavily subsidized, and finding the same situation with respect to the St. Lawrence Deep Waterways project, Dr. A. MacGibbon, professor of political economy at the University of Alberta, criticised sectional policies at the Agricultural Societies Convention at the University of Saskatchewan in his address on "Traffic Routes for Canadian Grain."

"At the present time there is a very lively discussion taking place about the transportation of Canadian grain," Professor MacGibbon stated. "Apart from the direct interests of the grain growers in sending their grain forward by the cheapest possible routes to market, we have the demands of British Columbia that the railways should make very low rates to enable her to handle all of the grain of Alberta and of Western Saskatchewan; the agitation for the completion of the Hudson Bay route as a grain carrying channel; the project of deepening the St. Lawrence to enable ocean-going steamers to load at Fort William and Port Arthur; and the contention of the people of the Maritime Provinces and Quebec that the ports of Halifax and St. John should handle the Canadian grain that now goes out via New York, Baltimore and Philadelphia.

Great Expectations

"Each of these schemes has behind it the support of only a part of Canada. These schemes are sectional in their nature. Within the area affected there is the most enthusiastic belief in the value of the development. British Columbia looks forward to an immense trading development if she can get grain rates that will divert all of the grain of Alberta

(Continued on page 22)

The Government Got More Than Workers

In a statement regarding operations in 1925, General Motors Co. of Canada states that while $5,187,859 was paid to employees for their year's services, a still larger sum, $5,498,463 was paid to the government for taxes.

Surely such figures must make it apparent that taxes placed on business and industry must in the long run be borne by the great mass of the people.

The Chicago Canal Steal Affects Montreal Cottons

MONTREAL.—The low water in both the great lakes and the St. Lawrence River, which is attributed to the Chicago Drainage Canal Steal, works a hardship in many ways in this country, not the least of which is the lowering of the head of water at those plants which use hydraulic power along the St. Lawrence River valley.

One instance only of this is the Montreal Cottons at Valleyfield, P. Q. This company, due to the lower head of water at its plant, has been forced to dredge out and lower its tail-race in order to obtain the same amount of hydraulic power as formerly. It has been necessary to lower the tail race to correspond with the drop in the water levels of the St. Lawrence.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

ONTARIO'S PLANTS BEGINNING TO FEEL EXPANDING DEMAND

Third Successful YearPlaces Farmer on Independent Basis Again

There is approximately $100,000,000 more to spend in Ontario this year than last. The revenue from farming and all other branches of industry has been greater than that of 1924 by $95,000,000. The total gross revenue from all industries in 1925 was $2,375,000,000 according to The Financial Post Survey 1926, against $2,280,560,000 the previous year.

One big factor in the business recovery that is now taking place is the position of the farmer. His improved position is due not so much to the 1925 crop alone as to the fact that it is the third consecutive successful year. The total farm revenue in 1925 was fractionally smaller, in fact, than in 1924, owing to the decline in the value of the field crops, but the farmer has gradually been working into a more independent position. The number of motor cars sold in the rural parts of Ontario during the past year is indicative of the improved position of the farmer, as it is an index also of the general increase in buying power throughout the province. In 1924 there were 308,693 motor cars registered in Ontario, or nearly half of the total number in all provinces. In 1925, Ontario has about 337,000 motor cars and trucks, an increase of more than 10 per cent. It is probable that the general increase in buying power is commensurate with this rise in automobile registrations.

Some Improvement in Manufacturing

Reports are being received by The Financial Post of marginal improvement in manufacturing. Some of the industries report conditions very materially improved, but these are in the minority. The change is gradual. The automobile industry as a whole is enjoying flourishing business, and demand is showing a steady increase. While figures are not yet complete it is indicated that the total value of motor car products was about $75,000,000, last year. The textile industries are finding conditions less prosperous, due largely to British competition. The iron and steel products mills are well supplied with orders, generally speaking, in anticipation of a big year. Building operations continue on a very large scale for this time of year, despite forecasts that some of the cities were over-built. There is less indication of this condition than there was six months ago, and winter building is being carried on without interruption. Certain of the larger packing houses report foreign demand better, especially for Canadian pork products.

One of the brightest spots in Ontario industry is the mining area of Northern Ontario. Operations are expanding both in gold and in silver mining, and everything points to 1926 as a big year in the mining belt. Capital for the development of the mines is more plentiful than it has been for some years, and larger scale operations are the result.

Corresponding with the trend of conditions in the various industries, there is a gradual rise in the volume of retail demand, although the present January lull has tended to lower the volume of trade. Against this is the large number of post-vacation sales, many of which are still going on. It is reported in a number of lines that the supply of goods on hand is smaller than normally. This is a favorable factor from the standpoint of wholesale business and manufacturing.

One class of dealers who are enjoying better business this year than during any previous winter, according to reports, are the gasoline vendors. Each year there is an increase in the amount of winter motoring done. The percentage of closed cars is now probably above 50, and the main roads are being kept in excellent condition. This will react on the accessories and tire dealers, and upon motor car manufacturers as well.

Canadian Business Indicators

INDUSTRIAL

	1925	1924	
Car Loadings—			
Week Jan. 9	54,559	49,979	+9.3%
Grain Receipts—			
Aug. 1 to Jan. 8	288,365,659	177,503,920	+62.6%
Building—			
December	6,927,860	5,817,493	+19.1%
Railway Earnings—			
11 Months—			
C. P. R.	$163,537,460	$166,811,984	— 1.9%
Oper. Exp.	194,203,327	201,787,478	— 3.7%
Net	35,327,983	33,497,940	+ 5.4%
C. N. R.	221,119,532	216,271,446	+ 2.2%
Oper. Exp.	104,203,327	201,787,478	— 3.7%
Pig Iron Output—(tons)			
Net	26,916,205	14,483,968	+85.8%
10 months	446,973	547,486	—18.4%

FINANCIAL

	1925	1924	
Bank Clearings—			
December	$1,736,375,151	$1,893,831,086	— 8.3%
Savings Deposits—Chart. Banks—			
November	$1,298,831,228	$1,231,861,390	+ 5.4%
Current Loans—By Banks—			
November	$909,977,043	$961,349,103	— 5.3%

COMMERCIAL

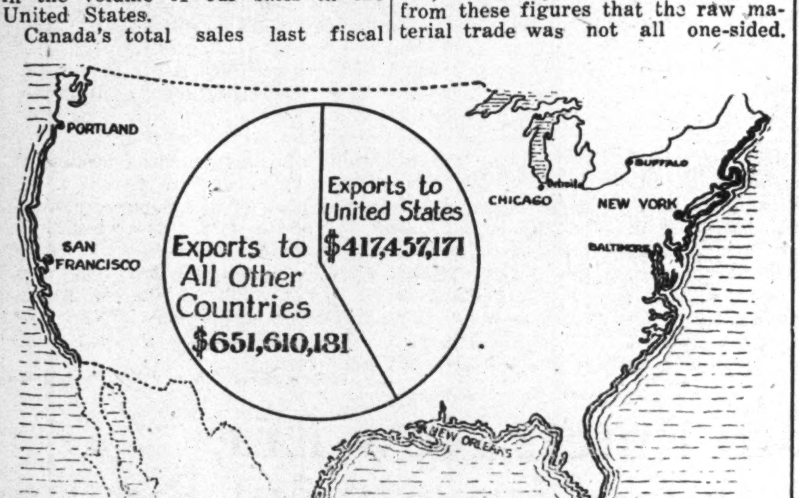
	1925	1924	
Balance of Trade—			
12 months, Nov. 30—			
Exports	$1,219,861,088	$1,057,508,866	—15.4%
Imports	874,295,547	812,854,157	+ 7.5%
Balance	345,565,541	244,654,709	+41.3%
Wheat, No. 1 Nor., Winnipeg—			
	Jan. 18, $1.56	Jan. (Av.) $2.24	
Cattle—(Good, Toronto)			
	Jan. 16, $8.50	Jan. (Av.) $6.82	
Hogs—(Select, Toronto)			
	$13.00	(Jan. Av.) $11.17	

FOREIGN TRADE OPPORTUNITIES—No. 12

U.S.A. Sells Us Most and Buys Most of Our Products

Takes Forty Per Cent, of Our Exports, Largely of Raw Materials — Canada Also Takes Much United States Raw Material

Forty per cent. of Canada's export produce went last year to a market on which little effort is expended in the way of development—a market which is nearest to us—one whose trade usages are basically the same, the United States. Canadian firms and organizations frequently spend much time and effort upon a market of a few million people, possibly thousands of miles away, while a great outlet lies at our doors. Canadian brains and Canadian labor are frequently at a premium in the United States. Canadian-made goods are building a similar reputation for superiority, and in this direction lies the possibility of a gradual advance in the volume of our sales in the United States.



Canada's total sales last fiscal year amounted to $1,069,067,000, and of this total the United States took $417,457,171 worth, or just about 40 per cent. Great Britain's purchases for the same period amounted to $395,850,982, or less than 37 per cent. The largest group of products sold to the United States was wood products and paper, then non-ferrous metals, animal products and other farm products. For the twelve months ending with November, the most recent trade figures available, Canada marketed $479,927,202 worth of goods in the States. Of this the chief items were wood and paper products valued at $234,416,-95, non-ferrous metals valued at $65,735,727 and animal products worth $64,326,079.

Mainly Raw Materials

The one phase of our trade with the United States that is subject to criticism is the fact that large volumes of our raw materials are shipped to American mills and there manufactured as American products. In this way Canada loses much from the manufacturing process which would keep large numbers employed in Canada and leave the money in the country. There is more and more attention being paid to this matter, but from a purely trade standpoint it does not concern the present subject. The largest single item in the exports is unmanufactured wood worth a total of $97,373,260. One-quarter, almost, of our total shipments to the States is represented by one of our basic raw materials. The second largest item is paper worth $95,240,852. Metals accounted for $72,356,891, of which gold alone was $32,848,338. Grain products totalled $16,295,090.

Apart from these raw material items, there is a fairly large total of manufactured or semi-manufactured goods in our exports to the States. Despite the operation of the Volstead Act, we sold more than $15,407,000 worth of beverages to American buyers last year, of which whiskey accounted for $10,292,774 and ale and beer, $4,887,499. There is also a large market for dairy products, the total of butter and cheese being $1,482,392. Fertilizer sales amounted to $4,595,559. Sales of manufactured wood amounted to $41,359,480, and chemical pulp, $33,113,143.

Fish and fish products from Canadian waters find a large market in different parts of the United States. Total sales last year amounted to $12,83,924. Dried codfish was the largest single item, worth $1,126,497. Lobsters took second place with a total of $853,866.

Unfavorable Trade Balance

Normally our balance of trade with the United States is unfavorable, largely since there is greater sales pressure put upon selling United States products here than the reverse. Last year we purchased $509,780,000 worth of goods and products, or nearly $100,000,000 more than the total of our sales to the States. The largest single item last year was petroleum and asphaltic products worth $34,292,000. Then came anthracite coal worth $34,250,000, rolling mill products, raw cotton, machinery, etc. It is evident from these figures that the raw material trade was not all one-sided. Large quantities of raw materials came into Canada from the United States as well. Our trade with the United States during the past four years was as follows

	Imports	Exports
1922	$515,958,196	$292,588,643
1923	540,989,738	369,080,218
1924	601,256,447	430,707,544
1925	510,003,256	417,457,171

Trade Recession is Possible in States

Dealing with the outlook in the United States, a matter in which Canadian business is always interested, James S. Alexander, chairman of the board of the National Bank of Commerce in New York said recently:

To summarize, money rates should be neither high nor low in 1926. A check to real-estate activity and a moderate recession of building and construction seem not unlikely, and if this should occur, dependent industries would slacken and employment would be less full than during the latter half of the year just closed. Offsetting influences to a possible recession of building and construction are the prospect of stable prices, marked betterment of the undertone in agriculture, good reasons for expecting continuation of improvement in foreign countries and a well-sustained export demand for our products. Business plans may be made with confidence in a continuation of prosperity, but with due allowance for the presence of factors which suggest that 1926 should not be expected to show any great gain over 1925.

ALBERTA'S BUTTER EXPORTS

CALGARY. — Last year Alberta exported to Britain and other countries over 4,000,000 pounds of butter, which was a little less than one-fifth of the total production of the province's creamery butter. The anticipation is that the total production of creamery butter will, for 1925, reach 25,000,000 pounds.

RADIO INDUSTRY SHOWS SIGNS OF BIG EXPANSION

Only 300,000 Sets Owned by Two Million Canadian Families

The radio industry in Canada to-day is in the same position as the automobile industry was 20 years ago. There were then 500 manufacturers of automobiles, while to-day a mere fraction of that number are in business and of these, twelve leaders make 95 per cent. of all cars manufactured. It is highly probable that the next few years will bring about the same weeding out process in the radio industry. In what direction the development will be is yet uncertain, but movements now under way indicate revolutionary changes.

It is estimated that there are in Canada at the present time approximately 300,000 radio sets, which is a mere drop in the bucket in relation to the whole market. Canada, with 2,000,000 families had 720,000 automobiles and 900,000 telephones last year, hence it is no exaggeration to say that the radio business is still in its infancy. The growth of the industry in this country is very rapid partly because of the start made in the United States, but because of other factors as well. One of Canada's great handicaps is distance. Radio is the most effective means of conquering distance yet invented, and is a tremendous boon to thousands of outlying communities as well as bringing the smaller cities into close touch with their larger neighbors. Then again, Canada already had the advantages of the big investments in radio broadcasting by the United States companies.

Industry Has Some Danger Points

There are two outstanding dangers in the industry in so far as merchandising is concerned. Radio is seasonal. The sales of the products are very active in the late autumn, but fall off materially in the spring. This makes an even distribution of the products throughout the year impossible. Then again, models change. Many manufacturers still deem a change in models necessary as a sales stimulant, but this involves a large percentage of loss. These difficulties are gradually being overcome and are, of course, incidental to the growth of a young industry. Over and above these problems are the more or less continuous improvements in mechanism and the danger that some outstanding improvement may at any time render a large part of the existing machinery obsolete. Apart from all these factors it is certain that the distribution of radio equipment in Canada will be a steadily increasing volume, especially in view of the heightened buying power and the better business outlook now facing the country.

Kenneth McR. Clark of the Sewall cruising force, Old Town, Maine, is in Eastern Quebec on a short trip. Mr. B. C. Marsh of the same office is looking over certain New Brunswick lands.

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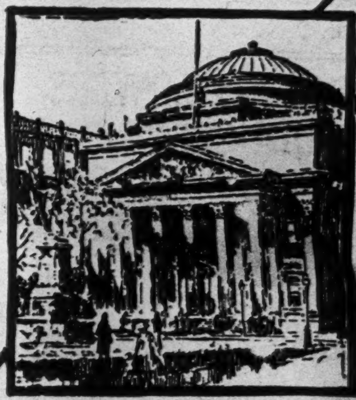

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Goodyear A Romantic Comeback

A Huge Industrial Organization Which Was Down—but Not Out—Just Five Years Ago

By HOWARD MINGOS, in the Magazine of Wall Street

This is the romantic story of the rebuilding of the great Goodyear concern, following the post-war collapse of the rubber industry. It will be of interest to every shareholder in the Canadian company because what has been written applies to the business in this country just as to the parent concern in the United States. It brings out particularly what the right men can do by adopting sound courageous policies in a crisis such as the rubber industry passed through.—Editor.

Five years ago the Goodyear Tire & Rubber Company, one of the largest enterprises in the sixth American industry, lay in a state of coma. The preferred and common shares were pretty well down to nothing. The organization was shot through with uncertainty.

Caught in the general depression of 1920, Goodyear had been laid low in the tragic slump of rubber prices, bad business and numerous disturbing elements caused by public reaction from the war. It had been a giant of industry. Now it was just about the sickest figure in the industrial world. It owed millions and had nothing with which to pay. From a $33,000,000 surplus in April, 1920, its balance had dropped to a deficit of $15,000,000 the following October, six months later. The creditors were on the verge of, pronouncing the whole thing as dead as a door nail.

But it did not die. Like Marley's ghost, the sick giant of industry staged a comeback. Starting over again without a dollar of surplus four and a half years ago, Goodyear now has a surplus of about $25,000,000. It is paying its debts and has several millions in a reserve fund to purchase raw materials in case of a market decline. The securities have appreciated more than $100,000,000 in market value. The financial and business world is marvelling at its powers of recuperation, and everywhere one hears the query: "How did they do it?"

It is no secret. The processes followed and the methods employed in the last few years are simple. They are common remedies for sick business and might be applied to any industrial unit in America, large or small.

The Expansion Record

Prior to the deflation epidemic that set in within two years after the armistice was signed business had been excellent, wages high, factories working overtime and nearly all industries at the peak of production. Goodyear was one of the chief units of the rubber industry. Starting in 1898 with a small plant in Akron, O., the factories and offices in 1920 covered 100 acres of floor space in that town alone. It had kept on expanding as it rode on the crest of the prosperity wave which had kept pace with the increasing popularity of the motor car. Every automobile owner was compelled to buy tires, to continue buying tires—for in those days they did not last long. They were not made as perfectly as they are to-day.

The industry had grown at a tremendous rate of speed until America entered the war, when restrictions cut down production. Immediately after the armistice there was a brief revival. Meanwhile, Goodyear had acquired many new factories, mills and plants. A new factory had been built in Toronto, Canada, in 1917. Three years later a tire factory and a fabric mill were established in Los Angeles to supply the West.

There were company coal mines in southern Ohio, purchased in 1917 to provide fuel for the two great factories in Akron.

In 1916, Goodyear had launched two costly projects designed to help supply the plants with the two chief raw materials used in tire manufacture, crude rubber and cotton. An 18,000-acre rubber plantation was started in the Dutch East Indies and it promised a certain amount of the crude supplies once the trees commenced bearing. A 37,000 acre cotton plantation had been laid out in Arizona. With American Sea Island cotton going out of the market and an embargo against the shipment of Egyptian long staple cotton, the Goodyear officials felt justified in creating a new industry here.

With all these activities the name of Goodyear meant a great deal, and people generally believed that the company was in substantial circumstances. Even throughout the organization that same feeling prevailed. But, meanwhile, it was necessary to keep on hand great reserve stocks of raw material and vast quantities of made-up goods. Raw materials were selling at extremely high prices and the rubber companies were led to contract for fresh supplies far in advance of delivery. Goodyear had many long-term commitments, forward purchases of raw materials which increased materially the liabilities of the company.

Labor conditions were far from ideal. Men were restless from the war. Wages were high and jobs plentiful, with the apparently limitless demand for production. Men seeking a change worked first in one place, then another. All industry suffered from this labor turnover, and rubber manufacturers most of all, because the innumerable operations in making tires and other rubber goods required practically all skilled workers. Goodyear had a large force of men doing nothing at all except training the newcomers as they took the places of the drifters. Obviously, that would add to the overhead cost of production.

This overhead was increased by other factors peculiar to the industry. It was relatively new. It was overgrown. A new invention to-day would be obsolescent to-morrow. Methods changed rapidly. Yet at the peak of production it was almost impossible to constantly change methods of assembly and manufacture. Tires and other commodities had to be produced as quickly as possible to meet the demands. Expansion had been too rapid for improvements. That, combined with the labor situation, caused lack of efficiency which could not be easily remedied when the depression set in, and Goodyear like so many others commenced to drop backward.

The old departments, which had outgrown their capacity for efficiency, remained, while new branches were established to care for surplus work. There were numerous organizations performing similar duties in each branch of the business—assembly, production, selling and accounting. Then in the summer of 1920 as business was on the decline, rubber prices dropped. Vast stores of crude rubber were thrown on the market until it was selling for 9, 10 and 11 cents a pound. The Goodyear inventories showed huge stocks bought at about 50 cents a pound; also fabric purchased in quantities far above prices which featured the general drop in all materials. The assets of the company dwindled proportionately. Combined with increased business costs they represented a loss in six months of $48,000,000 in the value of assets. And the situation became worse during the remaining three months of 1920.

Prior to this, Goodyear had borrowed a few millions with which to operate during the decline, the optimists believing that it would soon come to a halt. But the depression was more general and enduring than had been anticipated. The giant required a bucketful of medicine and was receiving homeopathic doses. The crash was coming and Goodyear was bound to meet it headlong.

By all the standards by which financial people judge industries the company was certain to go into the hands of a receiver early in 1921. Goodyear had $65,000,000 of preferred stock and an equal amount of common outstanding. The preferred had dropped from $100 to $25 a share and the common was selling at from $5 to $8. The liabilities totalled $127,000,000, and the balance sheet showed a deficit of $15,000,000. This enormous accumulation of liabilities staggered most of the bankers approached by F. A. Seiberling, who was the founder and then president of the company. There were heavy forward commitments, long term contracts for raw materials at high prices and, most of all, Goodyear credit was seriously impaired.

Moreover, a receivership would mean bankruptcy or similar disasters for some of the biggest concerns in six allied industries which had been supplying the company with materials. It would also mean serious trouble for a number of banks which had advanced millions on notes, some of which were unsecured.

When I think of the Goodyear management walking from one banking house to another seeking aid during the Christmas season of 1920, there comes to mind the picture of Robert Morris soliciting funds for Washington's army during the darkest days of the Revolution. There was an army in Akron with detachments on duty in far-flung outposts of civilization, Sumatra, for example.

Early in 1921, having canvassed practically every banking house in the country, the creditors' committee for Goodyear asked Clarence Dillon to enter the case, which was apparently hopeless. Dillon finally undertook the task of reorganization, with different management. Control was placed in the hands of a voting trust comprising Owen Young, Dillon and John Sherwin.

Using Courage and Vision

Among the many problems which bobbed up immediately and required considerable thought and vision from the banking group was the question of future policy. They had to look ahead far enough to predict with fair accuracy what the country would be coming to, say, to-day. Such men are known as the miracle workers of modern business. Business experts are agreed that the continued prosperity of the nation must be credited largely to those who have the capacity for doctoring sickly industries.

Incidentally, it may be told here, possibly for the first time, that the Goodyear reorganization was accomplished without material compensation to the bankers who did the job. There was no allocation of common stock and no profit other than that for underwriting the securities which, measured by the size of the job, can fairly be called nominal. It has been said on good authority that the total amount received by the head of the banking group on this one hundred million dollars underwriting was less than a quarter of a million dollars. Needless to say, this established a new record in Wall Street.

There could be no halfway methods employed in a case as serious as Goodyear's. The evil day had been postponed until it was almost too late. First the bankers put $90,500,000 of new money into the organization, as follows:

$30,000,000 of first mortgage bonds,
$27,500,000 of debenture bonds,
$33,000,000 of prior preference stock.

This last was issued to those creditors who had agreed to take it in payment of claims. Then the syndicate went to Akron and performed the major operation. The whole town was prepared to mourn. None knew what was coming. Everybody looked for the worst. Thousands of workers expected to be thrown out immediately.

While the situation was tragic enough, it could have been made much worse. A different policy could have been put into effect. Severe retrenchments and a fanfare of publicity followed by a mammoth sale of stock would have, or might have, returned the syndicate a handsome profit and a quick turnover of its new investment; and it would have ruined the Goodyear Company forever. But that did not occur. The giant was not to be crippled.

The Real Physician

The real doctor who is credited with applying the remedies which saved the patient is Edward G. Wilmer. He was not a rubber man. Clarence Dillon ten years before had found him doing legal work as a lawyer in the northwest. He had sued the Steel and Tube Company of America so successfully that he had been hired as head of its legal department. He had been head of that concern three years when on the reorganization he went to Goodyear as president. How he applied his remedies without disturbing the vast organization has been described as sheer genius. To-day he is chairman of the board. Two veteran rubber men, who had been with Goodyear for years and who helped Wilmer put it across, are G. J. Stadelman, then in charge of sales, now president, and P. W. Litchfield, factory manager, and now first vice-president. Through them the new executive saw that every necessary element of the business was retained.

Of course, with new management and changed conditions there was the inevitable retrenchment policy. Thousands of workers were let out after the reorganization in May, 1921.

There had been 31,000 workmen employed in 1920. Roughly, they were producing about one tire a day per man. That was considered a very low production; and steps were taken to correct it. In 1921 the working force numbered only 10,000 and the new start was made toward efficiency throughout all departments. This year the wage-earners number approximately 15,000 and only a third of the salaried employees remain. Yet the average number of tires produced in a day is three to a worker. That indicates a restoration of morale, one person doing the work formerly requiring three.

The watchword was efficiency. There were many loopholes where profits had been leaking out during the peak of production and rapid growth of the business. They could be found in every department; and they were gradually plugged up.

Among the many improvements those pertaining to the organization were probably most striking. Various departments were co-ordinated; so that the salaried forces assumed more responsibility, each man doing the work of three as a general rule. Methods of distribution were altered and improved to meet the new conditions. The cost of selling was reduced. Yet in spite of keen competition and the small profits in all rubber products during that period, Goodyear managed to maintain its own position in sales.

The advertising department was perked up. There was no attempt made to starve the sales organization. For instance, when radio became an adjunct to advertising, Goodyear was among the first to have its own broadcasting station. WEAR, the Goodyear station at Cleveland, is well known in radio homes.

While the new management was not able to start with a clean slate because of the forward purchases, some of which have not yet expired, that drain on the treasury was offset by new channels for distribution and new markets which were opened up. The executives, it appears, had visualized the prospects for future development.

The natural trend of events will often aid in curing a sick business. Where ill-advised retrenchments might bring failure, a confident outlook on the future possibilities will invariably cause expansion. In the case of this mammoth organization, one might have expected the bankers in control to keep the purse strings drawn unusually tight. Instead, somebody peered into the future and saw rubber becoming more important, entering new fields practically untouched before the war. Recent statements from Goodyear dwell upon the expanding market for mechanical rubber goods, conveyor belts and hose. Rubber is being made up into thousands of articles and the list is growing steadily each year. The farms are taking additional quantities and Goodyear has secured a strong hold on the farm trade.

Increased consumption of motor tires is another factor which was anticipated, and prepared for. While turning out all kinds of tires and making improvements which culminated in the balloon style, special attention was paid to the new methods of transportation.

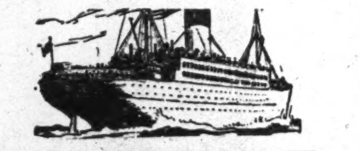
The development of motor transport, the phenomenal growth of the motor truck and motor bus was seen far in advance. There are 2,000,000 motor trucks operating in America and the tire companies are doing an amazing business there. Motor bus routes criss-cross all sections of the United States, forming a veritable network of new transport lines. I am told that the Goodyear engineers were among the first to predict their general use.

There is that new element, aeronautics. Goodyear had been building military balloons for the government for decades. The new managers might reasonably have decided to let others continue the thankless task of pioneering in lighter-than-air. Instead, they expanded that department. Two years ago they acquired the North American rights to manufacture under the Zeppelin patents. That will be a big asset one day. This year America's first semi-rigid airship was completed by the company. It will soon be turned over to the army air service.

All the auxiliary plants, mills and plantations have been retained and operated. To-day the rubber plantation in Sumatra is beginning to return handsome profits. Last year new cotton mills were acquired in Massachusetts. Now about 50 per cent. of the fabric used in the company's tires comes from its own mills.

All those details explain partly why the company has come back with such a display of strength. Careful expansion is the reason. It doesn't end here, however. The export trade has been carefully nourished. The competition of the French and English companies waged on a cut-rate scale for years, because they could manufacture more cheaply, has reached the limit and the American company finds fair markets in every country.

Back of it all, of course, is the factory organization. Improved production methods and better business conditions, a changed mental attitude on the part of the worker, who is giving efficient service, they must be considered among the causes for such prosperity.



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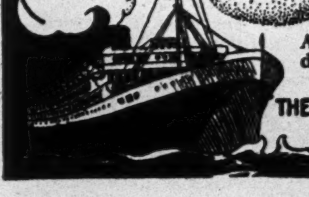

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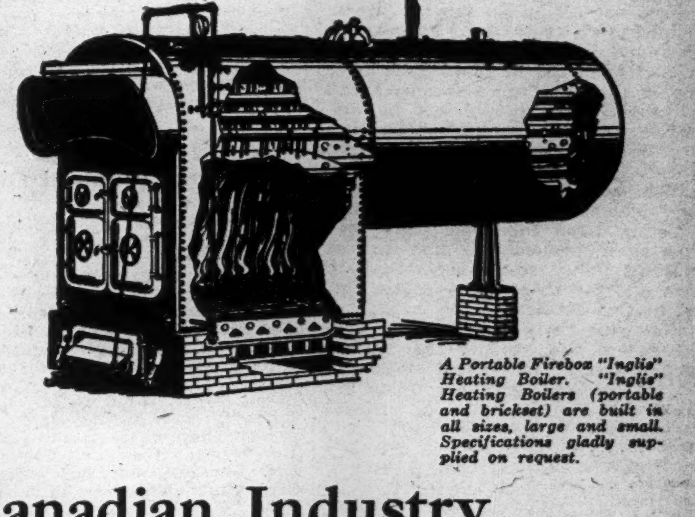

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The Securities Markets

CANADIAN RISE CONTINUED BUT WALL ST. IS OFF

Strength Reflects Better Business and Free Money Supply

Market Indicator
20 Industrial Stocks

	High	Low
Week of Jan. 20	88.7	85.6
Week of Jan. 13	86.2	83.4
Mth. of Jan., 1925	74.3	68.9

On several occasions in recent weeks the point has been made in this market review that although prices of Canadian stocks have shown a considerable rise this has not kept pace with the bull movement in the United States and that while the latter showed certain signs of being checked as it exhausted its own momentum and as money rates showed a tendency to harden, there was no reason to believe that the same factors applied to the situation here. During the past week, while there has been a considerable reaction in prices in Wall St., brought about by general realizing of profits and by the action of the Federal Reserve board in requiring member banks to make weekly statements of brokers' loans, the movement to higher levels on the part of the Canadian markets has been continued.

The latest Canadian bank return published a few days ago shows no indication that the end of the period of easy money for Canadian trade and industrial expansion is at hand or even in sight. Business is still improving slowly and should continue to do so. However, although for the present the Canadian market seems inclined to go its own way as justified by underlying conditions, the influence of Wall Street in a speculative way in the event of a serious break in values there should not be dismissed nor should it be forgotten that at present prices further improvement in the Canadian business situation may have been discounted to a considerable extent. In the United States investors have for some time been showing a tendency to take profits and this policy would seem to be a wise one for those who do not find speculation attractive.

Following is a summary of the changes of the week in the various groups of Canadian listed stocks:

	Gains	Loss	Unch.	Ttl.
Banks	5	3	1	9
Paper	6	5	2	13
Steel	12	3	2	17
Foodstuffs	10	13	4	27
Utilities	7	7	3	17
Tractions	3	6	1	10
Textiles	3	1	5	9
Industrials	14	9	2	25
Total	60	47	20	127

The bank stocks have again developed strength. Their popularity has been explained in two ways. One theory is that, as the banks profit through general business prosperity in the country, their shares are selling higher on satisfactory trade and industrial prospects. The other is that, as conservative investors are disposing of their more speculative common stocks, they are turning to the bank stocks as less likely to be affected in any market reaction. An outstanding performer in the bank group was the Bank of Toronto when it sold up to 221½, this being a new high point since the record price was established in 1909. Dominion Bank sold up to 219 and passed the 1925 record, as did Imperial Bank when it sold at 213. Royal Bank also showed considerable advance.

In the industrial groups there was general strength displayed in practically all departments, the foodstuffs group being the only one to show a greater number of losses than gains on the week's trading. In the steel group Canadian Car was an outstanding performer making a spectacular gain on reports of prospective settlement of war claims and substantial orders for railway equipment. Canadian Locomotive preferred gained several points as the result of increased orders and improved outlook. Steel of Canada was practically unchanged. In the milling and foodstuffs group the changes were not very important. The flour stocks sold off. The sensational performer of the group was Shredded Wheat which gained about 25 points. In the textile group there were general advances despite the rather unfavorable developments at Ottawa from the standpoint of tariff prospects; Canadian Converters was a strong feature, gaining two points. In the miscellaneous group American Salesbook common gained nearly five points but most of the changes were of comparatively small proportions.

In the utilities section leaders like Bell Telephone and Consumers' Gas showed little change but some of the tractions showed a disposition to sell off slightly. Canadian Pacific Railway was strong, gaining a couple of points.

Among the trust and loan stocks Canada Landed gained a further four points to 100. On the curb Imperial Oil, International Pete and British American were all inclined to sell lower but Canadian Oil gained several points.

"Alcohol" Stock Active; Earnings at High Level

From Our Own Correspondent.

MONTREAL.—The shares of the Canadian Industrial Alcohol Company showed strength on the market here this week. There was no special development which brought about the increased interest in the stock; probably the shareholders are becoming more alive to the satisfactory earnings which the company has been making. These indicate that perhaps 1926 may be a record year. "Alcohol" has been liberal in its disbursements to shareholders, and it is thought that for the future the excellent earnings will eventually be more directly shared in by the stockholders.

Penmans Expected to Show Increased Earnings

In recommending Penman's preferred, to investors, Johnston and Ward say: "The company has shown itself to be in an excellent position to show earnings amounting to double or more than its dividend requirements in normal years of business. Even in 1924 it earned over 13 per cent., and will give a good account of itself during the current year. With Western Canada showing improved conditions and improved sentiment, advance orders for next spring are reported to be well above those of the past year's, and Penmans from now on should register increased earnings with the gradual return of business to more normal levels."

Asbestos Tangle Upsets Stock Market Prices

From Our Own Correspondent.

MONTREAL.—Weakness in the shares of the Asbestos Corporation coincided with the news that a local bond house, Credit-Canada, had obtained an interim injunction restraining the transfer of 37,000 shares of the new Asbestos Corporation to the firm of Dillon, Read and Company.

This step was taken by Credit-Canada in order to insure the payment of commission, said to be due them, by Dillon, Read and Company. The consideration which, it is alleged, should have been received by Credit-Canada amounts to one-sixth of the commission allowed the New York bankers, namely, one-sixth of the 37,000 shares of the new Asbestos Corporation. This commission is in connection with Credit-Canada's share in the merger negotiations.

It is possible that some investors have become alarmed at this situation and parted with their securities at levels which otherwise would not have been considered. However, this dispute between the two banking firms will have no effect on the corporation itself, and should not have affected the stock.

EASTERN THEATRES

At a meeting of the board of directors of Eastern Theatres, Ltd., W. D. Ross was elected to the board to fill the vacancy caused by the resignation of D. L. White of Midland. It is understood that the statement of earnings for the first quarter of the current fiscal year, presented to the board, was very satisfactory, and showed a substantial increase over those of the corresponding period of the previous year. The company's liquid position continues to show improvement and a large reduction has been made in the mortgage indebtedness since the publication of the last financial statement.

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WESTERN GROCERS PLAN REVIEWED BY PRESIDENT RILEY

Tells The Financial Post of Advantages Which Should Follow

Prospects for better business in Western Canada for Western Grocers, Ltd., as the result of the improvement in the position of the farmer and the whole community, but keen competition with close margins of profit because of the chain stores and groceterias, were frankly discussed by W. P. Riley, president of the company, in going over with The Financial Post a few days ago the various proposals made to the shareholders for the financial reorganization of the company. The directors of the company ask the shareholders to realize that, while the company is enjoying a good turn-over at a substantial profit, and is in a strong financial position, the future prospects will be much improved by reaching a reasonable basis of capitalization. The present capitalization, it is pointed out, was made back in 1912 during Western Canada's boom times and, while it may have seemed reasonable at that time, there are reasons why the directors feel that the time has come for an adjustment. The proposal which is recommended by the directors, the company's auditors and by many preferred and common shareholders with whom it has been discussed is, in brief, as follows

1. Preference shareholders to accept in place of each two (2) shares of preference stock and the $17.50 per share of accumulated dividends:
   (a) Cash, $2.50 share.
   (b) One share of $100 par value new issue seven per cent. cumulative preference stock.
   (c) One share of no-par value common stock.
2. Common shareholders to accept one share of no-par value common stock for each six shares of common held by them.

As there are now outstanding a total of 23,886 preference shares and 30,000 common shares this recommended adjustment would leave the capitalization of the company as follows:

11,943—Seven per cent. cumulative preference shares of $100 par value.
16,943—No par value common shares.

The directors submit a statement of the company's affairs as to the end of 1924 and accompanying it a statement as it would have appeared had the changes in capitalization now recommended been in effect. The following comment is added:

The one change made by the recommended plan in the "assets" division of the above statement is to eliminate the item of Goodwill and Trade Marks, $3,111,722.26.

In the "Liabilities" division the preference stock item becomes $1,194,300 under the recommended plan. The common stock item is changed from $3,000,000 to $1,114,222.73 of no-par-value common stock.

You will see from the above figures that under the recommended plan the balance sheet as at December 31, 1924, would have shown assets of $2,368,237.73 in excess of all liabilities, thereby giving a supporting value of $100 for each share of preference and $65.75 for each share of no-par value common stock, which will be further increased by the earnings for 1925.

Therefore, the plan of adjusting the capitalization of your company as recommended herein would, in our opinion, put the shares of the company on a strong investment basis instead of on a speculative basis as they have been in the past. They would be backed by a strong statement and a very substantial showing of supporting assets. The preference would, in our opinion, be on a regular and permanent dividend basis and that very early in 1926.

Our present statement shows that there is back of the present preference shares supporting assets amounting approximately to $100 per share, not including the $17.50 deferred dividends due on each share. Preference shareholders are asked to exchange two shares of preference for five (5) dollars in cash, one share of new, seven (7) per cent. cumulative preferred stock, and one share of no-par value common. On the statement shown herein the new preference would have supporting assets back of it of $100 per share, and the no-par value common of $65.75 per share. Add to this the five dollars cash paid on each two shares of present preference stock plus some addition in earnings for 1925 and you can arrive at about what each preference shareholder surrenders in this plan when viewed on this basis.

On the other hand, the preference shareholder who would like to realize cash on his shares must deal with the fact that preference shares have been selling in the stock markets for some time at about $50 per share. So if a preference shareholder desired to realize immediately on his two shares he would get to-day about $100 cash for them. Also no dividends are being paid on these shares at the present time and the prospects of payment of a full 7 per cent. dividend amounting to $167,202 are not encouraging. In the adjustment outlined herein the preference shareholder gets one share of preference stock which ought to sell near par because the aim is to maintain a regular dividend-paying policy on such shares, and the stock is cumulative. He also gets a share of no-par value common supported by approximately $66 of assets and having an immediate and substantial market value. This, therefore, puts the preferred shareholder in a position to realize on his holdings in much better shape than he is now, not forgetting also the $5 in cash paid on each two shares.

Co-operative Creamery Has Public Financial Support

REGINA.—The provincial government guarantee to the bank on behalf of the Saskatchewan Co-operative Creameries in 1923 and 1924 was $390,000 each year and $600,000 in 1925, Premier Dunning stated in reply to W. G. Baker (Govt., Moose Jaw) in the legislature.

As the financial report for 1925 had not yet been issued, no information was available as to whether or not the company had made a profit, Mr. Dunning said.

PACIFIC MILLS COMPANY TO DO NEW FINANCING

American Interests Propose Public Offering For B. C. Project

From Our Own Correspondent.

VANCOUVER. — As intimated in The Financial Post recently, revival of interest in British Columbia's pulp and paper industry continues to manifest itself in a striking way. Three weeks ago it was announced that the Whalen Pulp and Paper Mills had been re-organized, and in the following week came the announcement that the International Harvester Co. had undertaken to invest several millions in the rehabilitated Beaver Cove Pulp & Timber Co.

Now comes the most important development of all—the re-organization of the biggest producer of pulp and paper in British Columbia, the Pacific Mills, Ltd., involving the opening of another reservoir of capital for the province's most rapidly expanding basic industry.

One of the most interesting features of Pacific Mills reorganization lies in the fact that a large amount of the stock of the new corporation is to be made available to the public.

The Pacific Mills, Ltd., is a part of the Crown Williamette Co., which has its headquarters in San Francisco and controls not only 91 per cent. of the stock in the Pacific Mills at Ocean Falls, B.C., but also dominates several pulp and paper production units in California and Washington.

The new financing, involving a total of $55,000,000, was negotiated by Blyth-Witter Co. and Blair & Co., of New York. The management remains the same, but approximately $40,000,000 of the new company's securities in equal amounts of preferred stocks and bonds will be offered to the public, and an additional $15,000,000 will be allotted for subscription by stockholders of the old company. Proceeds of the financing will be used by the corporation to retire the first and second preferred issues of the present company and pay in part for acquisition of the latter concern's assets.

The story of the Pacific Mills represents an example of how American interests have profited in British Columbia by taking advantage of the pioneering work of British capitalists in development of Canadian natural resources, and converting threatened disaster into success by the injection of new capital at the opportune moment.

The Ocean Falls Co. was incorporated largely with British capital in 1909 to acquire timber properties over 30,000 acres in extent, together with water power. Additional timber areas have been secured since then, totalling 2,000,000,000 feet. In 1910 £300,000 of six per cent. first mortgage bonds were issued in London on behalf of the Western Canada Trust, Limited, but in April, 1913, the concern encountered financial reverses and a receiver was appointed. The sale of the company to the new corporation, known as Pacific Mills, Limited, was completed in 1915 and from that time United States interests have dominated the concern.

Newsprint Production Drops in United States

MONTREAL.—During the past calendar year Canada produced only 8,100 tons less of newsprint than the United States. The Canadian mills produced during the year 1,522,217 tons, as compared with an American production of 1,530,318 tons. During the month of December the Canadian production was some 300 tons greater than the United States and totalled 136,983 tons.

It is interesting to note that the average daily tonnage of the mills in Canada increased from 5,152 in January, 1925, to 5,317 tons in December, 1925. It is significant also that the average tonnage per day in the States in January, 1925, was 5,602 tons, whereas for the last month of the year the mills only averaged 5,553 tons. Although this falling off is slight, it indicates the gradual trend of the newsprint industry toward Canada.

J. W. McConnell Elected to Montreal "Power"

From Our Own Correspondent.

MONTREAL.—Succeeding R. M. Wilson, who has resigned due to ill-health, J. W. McConnell has been elected to the board of Montreal Light, Heat and Power Consolidated. Mr. McConnell was recently elected to the directorate of the Bank of Montreal, and is one of the three trustees appointed by the Asbestos (merger) Corporation with extensive powers. He is president and managing director of the St. Lawrence Sugar Refining Company, and a director of Brazilian Traction, Light and Power Company.

It will be recalled also that it is said that Mr. McConnell has completed a deal with Lord Atholstan of the Montreal Star, whereby that paper passes to Mr. McConnell at the death or resignation of Lord Atholstan.

NEW CANNERIES IN B. C.

PRINCE RUPERT.—Extensive plans for the building of new canneries at Queen Charlotte Islands this year are under way, and the mill at Queen Charlotte city is planning to double its output.

WESTERN LUMBER

The statement of earnings for November of the Canadian Western Lumber Company, shows an increase in both the lumber manufactured and sales as compared with November, 1924. Lumber manufactured during the month totalled 7,967,423 feet, an increase of 982,738 feet. Sales for the month amounting to 6,878,331 feet showed an increase of 1,238,418 feet, and the price realized at $152,669 as against $132,614 in the previous year. The aggregate sales for the eleven months ending with November amounted to $114,530,774 feet compared with 104,396,955 feet, and the aggregate price realized $2,714,373 compared with $2,574,586.

Invest *in* Water Powers.

The development of our newsprint, pulp, mining and other natural resources would have been seriously handicapped but for the dependable electric energy developed by Canadian Water Power Companies.

Water Power is the lifeblood of Canadian industry. At the same time the securities of hydro-electric companies offer to the people of Canada an opportunity to invest their savings safely and profitably.

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BAY AND WELLINGTON STREETS
HAMILTON
BRANTFORD
Toronto
Private Wire System
KITCHENER
OSHAWA
Montreal
141 Notre Dame Street, West

All Records Broken

THE RESULTS of the year 1925 break past records in every department—exceeding even those of the great Jubilee Year 1924.

New Business Issued - - $64,000,000.
New Business 1924 - $ 53,580,000
" " 1923 - 44,750,000
Insurance in Force - - $211,000,000.
In Force - 1924 - $178,325,000
" " - 1923 - 151,780,000
Total Assets - - - - $31,500,000.
Assets - 1924 - $ 27,019,000
" - 1923 - 23,074,000

Highlights from the Company's Fifty-first Annual Statement:

Rate of Interest Earned - 6.91%

Mortality Rate - - - - 29.9% of expected (Ordinary Branch)

Overdue Interest - less than 1/5 of one per cent. with only one-third of the actual amount overdue carried into the annual statement.

Dividends to Policyholders remarkably high, providing unexcelled results for past decade. Funds are to be set aside in 1926 to provide further increase in dividend scale in 1927.

Reserves: The Company's standard of valuation of policy liabilities has called for the setting up of a sum greater by $1,826,991, than that required under the Dominion Government standard. Full provision also is made for all profits accruing, although not due for years to come. Large Contingency Funds are maintained for emergencies.

Surplus: The Surplus earnings for the year were the greatest in the history of the Company. The London Life "Free Surplus" on December 31, 1925 was $3,662,917 *in excess* of the requirements of the Dominion Insurance Act, after fully setting aside funds for profits to policyholders.

Copy of the Fifty-first Annual Report will be gladly mailed on request.

London Life
Insurance Company
HEAD OFFICES - LONDON, CANADA
"Policies Good as Gold"
The 1925 record shows that a new policyholder was added every 1½ minutes of each working day

Construction

JONES FORECASTS PRICE REDUCTIONS IN CEMENT SOON

President of "Cement" Says Lower Prices This Year

From Our Own Correspondent.

MONTREAL. — Investors in the Canada Cement Company will be interested to learn that Frank P. Jones, the president of the company, declared to The Financial Post that further reductions in price of cement would be made by the company during the present year.

"Prices are being reduced," said Mr. Jones, "due to the results which the company obtained during last year." From this statement it may be deduced that the forthcoming annual report will prove very satisfactory to the shareholders.

Shareholders in Canada Cement might perhaps feel that these sucessive price reductions, the last of which occurred in June, 1925, may tend to eventually lower the return on the capital stock. This does not appear to have been the result obtained by the Cement Company; incidentally the management believes that lower prices must benefit, not only the consumer, but also the company and its employees. This policy of a gradual reduction in prices in order to effect a larger consumption has certainly worked out well in the case of "Cement."

In this connection, it is interesting to recall the words of the first president of Canada Cement, W. C. Edwards, in 1910, one year after the formation of the company. At that time, in the annual report, he said that it was the company's intention to lower its prices as consumption moved upwards. This policy has been continued since that date and has been reiterated by the present president, on many occasions. Indeed, it appears in "Cement's" last annual statement.

The reduction in prices by the company then, is no new thing and has always benefited the shareholders in the past; shareholders therefore need not fear that reductions made during 1926 will be in the nature of price-cuts—the reductions will simply reflect the increased consumption and broader markets which the company is finding and which have reduced overhead expenses.

One indication of these broader markets is the fact that the company sold 400,000 barrels of cement in Florida last year. Naturally, much of this foreign trade is done on a close margin, but it all tends towards helping the company to reduce domestic prices. The company is gradually finding more foreign markets and last year 30 per cent. of its production in the Province of Quebec was exported. During the year the company's Quebec plants averaged about 60 per cent. capacity.

That the domestic consumption of cement is mounting is seen in the plans to re-open the company's plant at Hull, Quebec. This plant has not been in operation for the past five years. In the districts served by this plant, there has been a great increase in industrial expansion; especially so is this in the case of the Riordon properties which were acquired by the International Paper Co.; plans there for both hydro electric and paper mill development indicate a considerable tonnage for the Canada Cement Co. It is this project which is responsible for the decision to re-open the plant shortly. It is said that the International Paper development alone will necessitate the purchase of $1,000,000 of cement.

The re-opening of the Hull plant will place the company in a better position to fill more economically the cement requirements of that section of the country and should eventually reflect itself in earnings.

Anglin-Norcross Company to Complete C.P.R. Hotel

From Our Own Correspondent.

MONTREAL.—The work of rebuilding that portion of the Chateau Frontenac, which was destroyed by fire last week, will be commenced immediately. The C. P. R. has awarded the contract to the Anglin-Norcross Company, who constructed the newer portion of the hotel. The same architectural lines will be used in rebuilding the structure, so that the contractors will be able to start work immediately. It is planned to have the hotel completed by June 1 next in time to accommodate the summer tourist traffic.

Another Six Billion Building Year Predicted

CHICAGO.—Another six billion dollar building year is the prediction made for 1926 by the Architectural Forum. The prediction, based upon confidential reports of the amount of construction contemplated, as shown by work now in the hands of architects and from other sources, has shown itself during the last five years to be one of the most valuable and conservative indications of what the actual construction volume will be.

The Forum prediction is in consonance with the findings of the recent semiannual survey of the real estate market made by the National Association of Real Estate Boards, which looked toward a continuance of the present active state of business as regards real estate investment. The statistics gathered by the Forum show that new building construction in the United States totaled approximately six billion six hundred million dollars in 1925.

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
Jan. 14	$3,002,000	$2,505,000	+$497,000

CANADIAN NATIONAL RAILWAYS

Week end.	1926	1925	Change
Jan 14	$4,120,899	$3,735,713	+$384,686

C.P.R. May Segregate Various Land Properties

NEW YORK. — Reports are current that the Canadian Pacific Railway Company has under consideration the segregation of its land properties from its railroad properties. The formation of a new company to take over the land properties, valued at $98,561,477, is suggested as one plan. The sale of the properties is another plan that is talked of. The Canadian Pacific owned on December 31, 1924, 142,929 acres in Manitoba, with a book value of $1,429,290; 1,349,797 acres in Saskatchewan, valued at $17,547,361; 2,402,229 acres in Alberta, valued at $31,055,977, and 1,034,717 acres in British Columbia, valued at $5,078,263.

BELL TELEPHONE CO. TO INCREASE RATES

Depreciation Charges Will Have to Increase—To Apply to Railway Commissioners

From Our Own Correspondent.

MONTREAL.—That the Bell Telephone Company is to file an application for a new and higher-rate schedule before the Board of Railway Commissioners was announced by Hon. F. H. Phippen, K.C., this week. Mr. Phippen was acting for the company and appeared before the Board of Railway Commissioners sitting in Toronto. In speaking of the new rate schedule, he said: "The company is entitled to charge a proper amount to take care of depreciation."

This probably means that the Bell Telephone Company feels that it has not been allowing enough for depreciation. With an expenditure of $87,000,000 planned for the next five years, and $17,500,000 for 1926, it is obvious that the company wishes to make a suitable depreciation allowance on the plant and equipmnet which this new financing will purchase.

It will be recalled that in 1921 the company made application to the Board of Railway Commissioners for higher rates. At that time the Board pointed out that it was a time of peak prices and that, until a decline in prices occurred, the company could regard it as an abnormal period and lower its depreciation charges correspondingly.

From Mr. Phippen's remarks, it will be seen that it is the company's intention to base part of its claims for higher rates on this decreased amount which has been credited to depreciation account during the past four years.

Within ten days, the company will issue a statement of its projected new rates, which will be submitted to the Board, and will also announce the reasons for increased tariffs.

Public Utility Earnings

SOUTHERN CANADA POWER

Dec.	1925	1924	Increase
Gross	$120,395	$100,827	$19,568
Oper. exp.	38,319	46,345	*8,026
Net earn.	$ 82,076	$ 54,482	$27,594
3 months	1925	1924	Increase
Gross	$347,208	$287,034	$60,174
Oper. exp.	112,512	131,968	*19,456
Net earn.	$234,696	$155,066	$79,630

*Decrease.

B.C. ELECTRIC RAILWAY

November	1924 $	1925 $	Increase $
Gross earn.	940,097	1,009,992	69,895
Exp., maint., etc.	645,946	707,581	61,635
Net income	294,151	302,411	8,260
Aggre. gross from July 1 to Nov. 30, 1925	4,532,994	4,925,183	392,189
Aggre. net from July 1 to Nov. 30, 1925	1,290,851	1,422,624	131,773

MONTEREY RAILWAY, LIGHT

	Gross $	Working ex. includ. prov. for renewal and obsolescence $	Surplus $
Railway L. & P.	216,953	232,755	*15,801
Water. & sewage	64,651	39,195	25,455
Total	281,605	271,950	9,654
Aggre. earn. from Jan. 1, 1925, to Sept. 30, 1925	803,347	775,812	27,535

*Deficit.

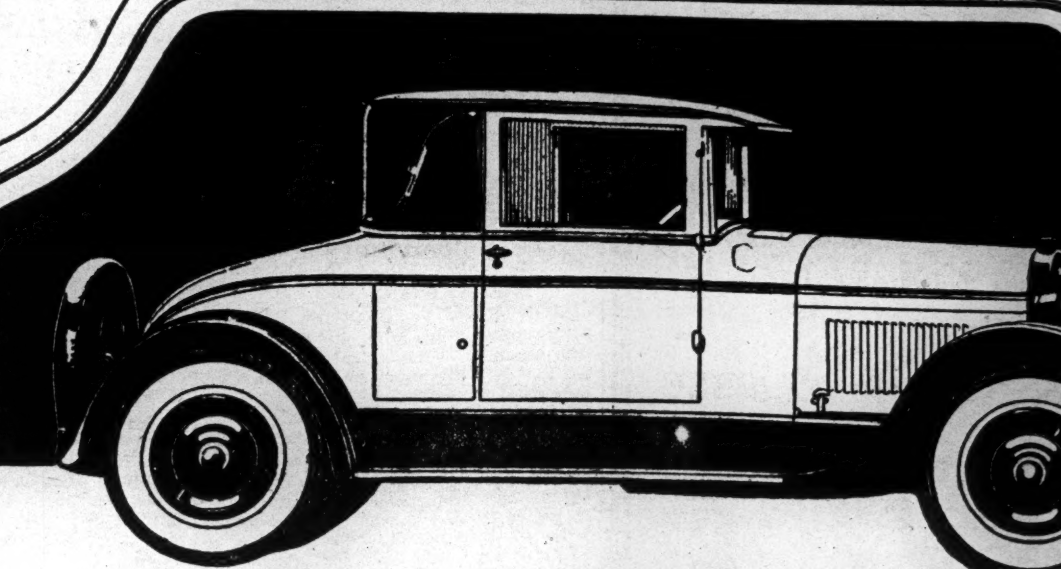
WINNIPEG ELECTRIC

November	1924 $	1925 $	Increase $
Gross earn.	466,889	471,407	4,518
Expenses	288,624	295,102	6,478
Net earn.	178,265	176,305	*1,960
Aggr. gross from Jan. 1 to end of Nov.	4,791,192	4,828,457	37,265
Aggre. net from Jan. 1 to end of Nov.	1,448,834	1,631,697	182,863

*Decrease.

UNLISTED SECURITIES

Industrials, Utilities, etc.—	Bid	Asked
Brooks Steamer (1 pref, 2 com.)	4	6
Can. Machinery, com.	3½	5½
Can. Machinery, pref.	12	16
Can. Westinghouse, com.	155	160
Cockshutt Plow, pref.	59	61
Cosgrave Brewery	4	4½
Dom. Combing (1 pref, 2 com)	30	37
Dom. Power, pref.	93	95
English Electric, com.	14	16
English Electric, pref.	58	60
Gunns, Ltd., pref.	39	41
Godfredson Truck, com.	24	26
Imperial Tobacco	6	7
King Edward Hotel, Deb. A.	74	78
King Edward Hotel, Deb. B.	55	59
K. & S. Tire, pref.	7	10
Loew's Toronto, com.	25	33
Loew's London, com.	2½	3
Loew's Ottawa, pref.	11	14
Massey-Harris	69	71
Mount Royal Hotel, com.	5½	6½
Mount Royal Hotel, pref.	45	47
North Mexico Power, com.	52	..
R. Simpson, pref.	99	101
Willard's, pref.	71	74
Loblaw Groceterias, com.	54	57
Capital Life 25% Paid	21	25
Continental Life 20% Paid	32½	..
Crown Life	120	..
Empire Life	22½	..
Excelsior Life 25% Paid	40	..
Great West Life	350	..
Imperial Life	175	..
Monarch Life 10% Paid	16¼	22
Manufacturers Life 20% Paid	76	..
Montreal Life 20% Paid	27	..
National Life 25% Paid	47	45
Re-insurance	12	15
Security Life 40% Paid	31	35
Sovereign Life 25% Paid	21	25
Sun Life 50% Paid	235	..
Comm. Finance, pref.	60	63
Comm. Finance, com.	11	12½
Manfrs. Finance, 50% com.	6¼	7½
Mortgage Dis., pref.	7¼	7¾
Toronto Finance, pref.	5	6



See the REO exhibit

AT THE SHOW

Montreal, January 23-30

REO

For the coming season Reo offers a new and improved Coupe including that newly designed feature—the Reo Safety Control.

REO MOTOR CAR COMPANY OF CANADA, Limited
WINDSOR - ONTARIO

Stock Market Record

WEEK ENDING JANUARY 19

	Div. Rate	Yield Jan. 18	High for wk.	Low for wk.	Close Jan. 19	Close Jan. 12	Sales for wk.	Range 1926 High	Range 1926 Low
Banks—									
Commerce	12+1	5.79	225	224	224½	224¼	319	226	224
Dominion	12+1	5.96	219	217	219	217½	136	219	215¼
Can. Nationale	10	6.17	164	162	162	165	35	170	162
Imperial	12+1	6.13	215	211	213	212	212	215	211
Montreal	12+2	5.36	261½	260	260	260	89	261½	259
Nova Scotia	16	5.60	285½	285	285	285	66	285½	281
Royal	12+2	5.53	253½	249	253½	249	280	253½	248¼
Standard	12	6.05	198½	198	198½	200	32	200	198
Toronto	12	5.50	221½	218	221½	218	67	221½	213
Paper—									
Abitibi, com.	4	5.47	74	71¼	72¼	72	2115	75	71½
Do. pref.	7	6.03	..	..	..	..	..	116	116
Belgo-Can., com.	6	....	..	..	..	..	..	..	..
Do. pref.	7	7.27	96¼	95¾	96¼	96½	329	96½	95¾
Brompton	.	....	28	26⅛	26¾	27¼	2130	28¾	26
Laurentide	6	6.89	87	85	85	86	2407	89	85
Price Bros., com.	2	3.33	62	59½	61¾	59	945	62	57
Do. pref.	6½	6.77	96	95¾	95¾	96	215	96	95¾
Prov. Paper, com.	6	5.94	..	..	..	..	..	101	100
Do. pref.	7	6.82	103½	103½	103½	102½	35	103½	102½
Smith, Howard, com.	.	....	40½	38	40½	40	170	42¼	38
Do. pref.	8	8.33	96	93	96	94	485	96	92¾
Span. River, com.	7	6.76	105⅛	102¾	104	104½	1285	106¼	102¾
Do. pref.	7	6.08	116	115	115½	115	368	116	115
St. Maurice Paper	6	5.68	106	105½	106	106	8	106	105
Wayagamack	.	....	82½	78	78	82½	1060	83	73
Steel and Steel Industries—									
B. E. Steel, com.	.	....	3⅛	2¾	3⅛	3	150	3⅛	2⅜
Do. 1st pref.	.	....	30	28½	28½	28	805	30	27
Do. 2nd pref.	.	....	10¾	9⅛	9½	10	2039	10¾	8
Can. Car & Found.,com	.	....	47	41	46½	35	2015	47	33
Do. pref.	7	8.35	84½	79	84½	79	3145	84½	73
Can. Gen. Elec., com.	.	....	51	51	51	51	50	51	51
Do. pref.	7	6.00	58½	58	58	58	105	58½	57
Canada Iron, com.			..	..	..	..	..	10	10
Do. pref.	4		..	..	..	..	..	40	40
Can. Locomotive, pref.	7	9.09	77	77	77	73	30	77	73
Dominion Coal	.	....	41	41	41	40½	10	41	40½
Dominion Iron, pref.	.	....	24	24	24	21¼	40	24	20
Dominion Bridge	4	4.76	85	83	85	83½	337	91½	80
Dom. Radiator, pref	7	6.79	103	103	103	..	30	103	103
Dom. Steel Corp., pref			..	..	..	..	..	24	24
Ontario Steel, com.	4+1	7.14	71½	70	71½	..	85	71½	70
Do. pref.	7	6.96	..	..	..	..	..	100½	100¼
Russell Motor, com.	.	....	40	39¾	39¾	40	370	40	39¾
Do. pref.	7	8.28	84½	82	84½	83	60	84½	82
Steel of Canada, com.	7	7.21	97¼	96	97	97	1393	98½	95¾
Do. pref.	7	6.00	116½	116	116½	116	66	116½	114
Milling and Foodstuffs—									
Atlantic Sugar, com.	.	....	30	29	29	29¼	280	32⅞	29
Do. pref.	.	....	81	81	81	85	10	88	81
B. C. Fishing	.	....	60½	59¼	59¾	60¾	1345	61¼	59¼
Canada Bread, com.	.	....	60	59½	59½	61	165	61	59½
Do. pref. (A)	7	6.48	108	108	108	107	5	108	106
Do. pref. (B)	7	7.27	96⅜	96¼	96½	56	56	96⅜	96¼
Can. Canners, com.	.	....	14	13	13⅞	13½	469	15	13
Do. pref.	.	....	64	62	63	64	1115	67¾	62
Canadian Salt	8	6.06	132	131	132	..	50	132	131
Christie Biscuits, com.	.	....	..	..	..	..	..	63½	62
Do. pref.	7	....	..	..	..	..	..	..	..
Can. Bakeries, com.	.	....	35	34	34	35	133	36	34
Do. pref.	7	7.29	96	95¾	95¾	96	47	96¼	95¾
City Dairy, com.	12	3.94	77½	76	76	78	130	78	75½
Do. pref.	7	6.42	110	109	109	108	12	110	107
Cuban Can. Sugar, com	.	....	..	..	..	..	..	3½	3½
Do. pref.	.	....	24½	24½	24½	..	55	24½	24½
Dominion Stores, com.	1.00	....	67	67	67	65	5	67	65
Do. pref.	8	7.14	112	110	112	112	85	112	106
Wm. Davies (A)	.	....	36	34¾	35½	36½	795	37¼	34¾
Inter. Milling, pref.	7	6.73	105	104	104½	104½	51	105	102½
Lake of Woods, com.	12	6.97	172¾	172	172	172½	125	175	172
Do. pref.	7	6.03	..	..	..	..	..	116	116
Maple Leaf Mill, com	.	....	..	..	..	..	..	88	88
Do. pref.	7	7.00	101⅞	100	100½	102	263	102	100
Ogilvie Flour, com.	5+3	4.25	192	187½	187½	190	220	194	175
Do. pref.	7	5.66	123½	123½	123½	..	2	123½	123½
Pure Gold Mfg.	50c	....	22¼	22	22	22	45	22¼	22
Shredded Wheat	10	5.40	194	175	194	170½	125	194	169½
St. Law. Flour, com.	.	....	45	42	43½	42	675	45	39½
Do. pref.	7	8.51	82¼	82¼	82¼	..	10	82¼	82¼
West. Can. Flour	8	6.92	115½	115½	115½	115	25	115½	114
Western Grocers, com.	.	....	8½	7	7	7	634	13¼	6¼
Do. pref.	.	....	57	53	55	54½	271	64	49½
Utilities—									
Bell Telephone	8	5.69	141	139½	140	140	389	141	139
Consumers Gas	10	5.61	178½	178	178	178	507	178½	174½
Inter. Utilities (A)	.	....	37¾	37½	37¼	38	130	38	37½
Do. (B)	.	....	9¼	9¼	9¼	..	100	9¼	9¼
Jamaica Pub. Ser., pref.	7	7.10	98½	98½	98½	..	3	98½	98½
Laurentide Power	5	4.54	..	..	..	..	..	110	110
Mackay, com.	7	5.10	137¼	136	137¼	137	143	138½	136
Do. pref.	4	5.44	73½	72	72¾	73	366	73½	72
Mexican Light, com.	.	....	29½	29½	29½	30	50	30	29½
Mont. L. H. & Pr. Cons.	8	3.70	218¼	214	216	215	5084	218¼	212⅜
Montreal Telegraph	8	....	..	..	..	..	..	51½	51½
Ottawa L. H. & Pr.,com.	6	6.12	98	97½	98	..	40	98	97½
Do. pref.	6½	6.25	104	102	102	102¾	7	104	102
Quebec Power, com.	5	4.21	123	118	118½	118	913	123	113
Do. pref.	7	6.36	110	110	110	116	121	116	110
Shawinigan	8	4.72	171½	168	169	170	481	171½	167½
South.Can. Power, com.	1.00	....	90½	90	90	87	530	90½	83
Do. pref.	6	6.00	101	100	101	100	33	101	100
Transportation—									
Can. Pacific Rly.	10	6.71	149	148	149	147	571	149	147
Can. Steamships, com.	.	....	12½	11½	12¼	13¼	295	13¼	11⅛
Do. pref.	.	....	61¾	59	60½	60⅜	4149	61¾	56
Do. Voting Trust	.	....	11	11	11	11	55	11	11
Tractions—									
Barcelona	.	....	28½	28	28	27	180	29	27
Brazilian, com.	5	6.04	84	81¼	82¼	83⅛	38647	84	80
Do. pref.	6	6.09	..	..	..	..	..	98½	98½
Detroit Un. Rly.	.	....	3	3	3	3¼	35	3¼	3
Duluth-Superior	.	....	30	29	29	30¼	303	31¼	29
Montreal Trams	10	5.61	178	178	178	177	25	178	177
Ottawa Traction	4+1	7.93	..	..	..	..	..	63	63
Porto Rico Rlys., com.	.	....	41½	41	41	41½	165	41½	40
Do. pref.	7	8.04	87	87	87	87¾	2	89	87
Twin City, com.	4	5.12	78¼	77	78	78½	821	79½	77
Winnipeg Elec., com.	1	....	48⅛	47	48	48	4923	49	46½
Do. pref.	7	7.29	96½	95¾	95¾	96	40	96½	95
Textiles—									
Can. Conn. Cotton, pref.	1	....	47	47	47	49	10	49	46¾
Can. Converters	7	7.52	94	93	94	92	312	94	92
Can. Cotton, com.	8	6.50	124	122	123	121	252	124	121
Do. pref.	6	6.25	96	96	96	96	3	96½	95
Can. Woollens, pref.	.	....	50	50	50	50	25	50	50
Dom. Textile, com.	5	5.37	95½	92½	92½	92	2710	95½	91½
Do. pref.	7	5.80	..	..	..	..	..	120½	119
Monarch Knitting, pref.	.	....	50	50	50	..	40	50	50
Montreal Cottons, com.	6	5.79	..	..	..	..	..	103½	103½
Do. pref.	7	6.14	114½	114½	114½	114½	4	114½	112
Penmans, com.	8	4.44	182	180	182	182	200	182	180
Do. pref.	6	5.76	..	..	..	..	..	104½	104
Wabasso Cotton	4	6.15	65	65	65	65	40	65	65
General Industrials—									
Amer. Salesbook, com.	4.00	5.88	68½	67	68½	64	135	68½	64
Do. pref.	7	7.44	94	92	93½	94	138	94½	92
Asbestos Corp., com.	6	6.38	94⅛	92¾	92¾	94	100	94½	92
Do. pref.	6	5.19	116	114½	115	115	322	116	113
Brantford Cordage, pref.	2	....	26⅛	26	26½	27½	751	27½	26
Burt, F. N., com.	12	4.85	62	61⅜	61¾	62	458	62½	61⅜
Do. pref.	7	2.76	..	..	..	..	..	..	..
Canada Cement, com.	6	5.79	103½	102	103	102	608	103½	101¾
Do. pref.	7	6.03	116½	116	116	115½	3	116½	115½
Cons. Rubber, pref.	7	8.09	86½	86½	86½	..	56	86½	86½
Can. Indust. Alcohol	1.28	7.53	17¾	16⅜	17⅛	16¾	6186	17¾	16¾
Crows Nest Coal	6	....	59	55	59	55	280	59	51
Dom. Glass, com.	7	8.23	87	85⅛	87	85	85	87	85
Do. pref.	7	6.25	..	..	..	..	..	..	..
Eastern Theatres, com	.	....	19	18¾	19	18¾	94	19	18¾
Do. pref.	7	8.43	..	..	..	..	..	83	83
Gilman, com.	6	5.71	106	105	106	..	40	106	105
Do. pref.	7	6.16	..	..	..	..	..	114½	113½
Goodyear Tire, pref.	7	7.36	95½	94½	95½	94½	351	95½	93½
Lyall Construction	.	....	..	..	..	..	..	20	20
National Brew., com.	4	7.01	57½	56¼	56½	57	2782	59	56¾
National Brick, com	.	....	..	..	..	..	..	12½	12½
Do. pref.	7	....	70	67½	68	71½	338	71½	67½
Pacific Burt, com.	6	6.38	94	93	93	90⅜	141	94	90⅜
Do. pref.	7	6.86	..	..	..	..	..	102	102
Port Hope Sanitary, com	.	....	74½	74½	74½	75	50	75	74½
Rogers, Wm., com.	.	....	53	50	53	49	60	53	45
Do. pref.	7	7.60	92	92	92	90¾	27	92	90¾
Sherwin-Williams, com.	6	4.63	129½	129	129½	129½	90	131	129
Do. pref.	7	6.14	114	113	114	113	40	114	112½
Sterling Coal	4	....	37	37	37	..	5	37	37
Tuckett Tobacco, com	4	6.15	..	..	..	..	..	65	65
Do. pref.	7	6.86	..	..	..	..	..	102	102
Woods Mfg., com.	.	....	39	39	39	40	5	41	39
Do. pref.	7	8.91	78½	78½	78½	78	10	78½	77¾
Trust and Loan—									
Canada Landed	10+1	5.50	100	100	100	96	47	100	95
Can. Permanent	12	5.88	204	204	204	203	7	204	202½
Colonial Invest.	6	....	4	4	4	..	4	4	4
Hamilton Prov.	10	6.41	..	..	..	..	..	..	..
Huron & Erie	7	5.49	..	..	..	..	..	127½	127½
Landed Banking	9	6.16	..	..	..	..	..	..	..
Montreal Loan	12+1	6.50	..	..	..	..	..	50	50
National Trust	12	5.04	238	235	238	..	24	238	235
Ontario Loan	11	5.23	105	103½	105	..	20	105	103½
Real Estate Loan	7	8.23	..	..	..	..	..	..	..
Toronto Gen. Trusts	12	5.42	..	..	..	..	..	..	..
Toronto Mortgage	10+1	5.97	..	..	..	..	..	..	..
Union Trust	7	7.77	..	..	..	..	..	..	..
THE CURB MARKET									
Asbestos, com. (New)	.	....	23	23	23	23	335	24½	23
Do. pref. (New)	.	....	70	70	70	68	2	70	68
Brit. Amer. Oil	8+2	4.80	53½	50	50⅛	53	4035	53½	50
Can. Oil, com.	.	....	73	69	73	69	92	73	65
Do. pref.	8	....	..	..	..	..	..	100	100
Continental Oil	25c	1.00	24⅛	24¼	24¼	25	211	26	24¼
Dryden Power	.	....	7½	6	7	7	405	7¾	6
East. Engineering	.	....	1½	1½	1¼	1	410	1½	1
Good. & Worts	1½	3.00	200	199	199	200	37	200	193
Imperial Oil	1.00	2.70	37½	35¾	35¾	36¾	3076	38½	35¾
Inter. Petroleum	75c	2.34	34	32⅜	32½	33	1325	35	32⅜
Manitoba Power	.	....	34	29	33⅛	25⅛	3706	34	24
North Star Oil, pref.	7	....	4.75	4.74	4.75	4.50	1300	4.75	4.50
St. Law. Power	.	....	36½	36	36	36	42	36½	36
St. Maur. Power	.	....	77	77	77	77	1	77	77
Toronto R. S.	.	....	1.35	1.25	1.25	1.25	700	1.35	1.10
Volcanic Oil	62c	2.17	28¼	28½	28½	29	219	29	28¼
North Mex. Power	.	....	55	50¾	50¾	53	170	55	50¾
Power Corp.	.	....	26½	24½	26½	..	675	26½	24½

National Life Issued $10,800,000 New Business

The National Life Assurance Company of Canada report assurances for $10,809,195 were issued during 1925, being an increase of $1,768,914 over the previous year.

Total insurance in force at the end of 1925 was $42,536,043.14. Total cash income for 1925 was $1,667,719.56, an increase of $142,807.85. Death claims, matured policies, profits, etc., paid in 1925 amounted to $541,003.43.

The board of directors was re-elected, with A. H. Beaton as president.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the first week of January totalled 8,852 tons.

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

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LIMITED
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Lantic Sugar

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ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

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Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters
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Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.

EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

OKANAGAN APPLE CROP

VERNON.—A total of 2,300,000 boxes is the estimated crop of apples in the Okanagan Valley this year. On a price basis of a dollar and a half a box, the return to growers in this district from their apple crop alone, will be in the neighborhood of four million dollars. There will also be a fairly large income from small fruits and vegetables, which should net around another two million dollars.

Pulp and Paper

SULPHITE PRICE TREND STILL TO HIGHER LEVELS

Should be Reflected in Better Earnings of the Companies

From Our Own Correspondent.

MONTREAL.— Although sulphite prices have undergone a considerable improvement with a resulting benefit to the companies engaged in this industry, investors in the securities of the sulphite pulp companies may be wondering if the factors chiefly responsible for the increase in sulphite prices will continue to make themselves felt. That is, will the demand from Europe continue to grow, will the rayon industry continue to expand, and will chemical pulp continue to supplant rags as a base for fine paper-making?

There seems little reason to doubt that the stronger European demand for both sulphite pulp and paper will continue; it is more than probable that the gradual recovery of that continent from its post-war problems must result in a greater demand for paper of all grades.

With regard to the sulphite pulp requirements of the rayon industry, the companies engaged in this trade foresee even greater expansion during this, and the coming years, than they have experienced in the past—there is little reason to doubt then that the demand for sulphite pulp from the rayon companies will grow even more rapidly in the future than in the past.

Another Important Factor

Lastly there remains the question whether papers made from sulphite pulp will continue to supplant those made from rags. There is no doubt that the growing use of sulphite in the highest grades of paper, instead of rags, has been no small factor in the bettered sulphite markets of the past year. One of the reasons for this lies in the fact that since 1921, prices of rags have been on the upgrade; in fact since that date the price which manufacturers of paper have paid for rags has doubled, whereas bleached sulphite prices have fallen about 25 per cent. since 1921. To-day manufacturers must pay almost twice as much for rags per ton as they do for bleached sulphite pulp. This has resulted in the consumer being forced to pay over 75 per cent. more for his rag paper than for the best high-grade sulphite paper.

One of the factors then upon which the current prices of sulphite pulp depends is the price at which it is possible to purchase rags. There seems no reason to believe that rag prices will make any material decline; in the first place, with a fairly high level of employment throughout this whole continent, it is hard to obtain rag pickers, whilst at the same time an increasing quantity of rags is being used industrially. Moreover the amount of rags suitable for this use is decreasing, owing to the greater use to which silk and rayon are being put in the garment trade.

Taken by and large, all indications point to increasing, rather than decreasing, prices for sulphite pulp.

Mattagami's New Plant to Operate in Month

From Our Own Correspondent.

MONTREAL. — The new bleaching plant of the Mattagami Pulp & Paper Co. at Smooth Rock Falls, Ont., has been completed, but all of the equipment has not yet been installed. The plant will be ready to begin operations by the middle of February. In the meantime, the company has been turning out 210 tons of unbleached sulphite every day for the past two months and sales for its output are keeping up well.

Abitibi's Outlook for an Increased Dividend

MONTREAL.—There is again speculation as to the possibility of an increase in the dividend of Abitibi Power & Paper common stock. There were many who felt that on the strength of the 1924-25 showing of the company, in which it had about the largest margin of profits over dividend requirements of any of the newsprint companies, the dividend might be increased to 5 or 6 per cent. before the close of 1925. The company, however, has gone on improving its financial position, and it is now believed in some quarters that even with the lower price of newsprint now in effect, Abitibi could easily raise the rate to 5 per cent.

Belgo Preferred Stock Issued Before Merger

From Our Own Correspondent.

MONTREAL. — The Belgo Canadian Paper Co. has listed 10,000 additional shares of its preferred stock on the Montreal Exchange. This means that the total authorized issue of preferred stock, that is $5,000,000, is outstanding.

The last annual statement of the company showed $4,000,000 of preferred stock outstanding—the additional 10,000 shares have been issued since that date, but there is no official information indicating who purchased the issue.

Investors in the new issues of the parent company, the St. Maurice Valley Corporation, may perhaps feel that this stock will reduce the equity behind their holdings, but this is not the case, for the $1,000,000 of preferred shares were disposed of before the Belgo-St. Maurice merger took place. Hence the equities and earnings behind the various St. Maurice Valley Corporation issues remain as were announced at the time these securities first came on the market.

PORT ALFRED BONDS SOLD

MONTREAL.—The Port Alfred Pulp & Paper Corporation's issue of $1,175,000, 6 per cent, first mortgage bonds, which was offered last week by Wood, Gundy & Co., has been entirely taken up; the issue was sold at par.

Iron and Steel

BESCO HAS NEW DEAL TO MAKE WITH MINERS

To Meet With Men on Feb. 1st to Discuss Wage Scale

MONTREAL.—The British Empire Steel Corporation's wage agreement with its miners, which was entered into last autumn, will be terminated on February 1. This agreement, it will be recalled, was in the nature of a compromise between the corporation and its employees. It came into being through the efforts of the government of Nova Scotia who were also involved in the agreement, pending the report of the Royal Commission inquiring into the N. S. coal situation.

On February 1 next, representatives of the miners and the Besco will meet and arrange a new scale of wages. Those holding the securities of the corporation, or its subsidiaries, will watch interestedly the outcome of these negotiations for the future of Besco is largely bound up in arriving at some final settlement of its labor problem.

The negotiations, which will begin on February 1, will place it squarely up to the miners to accept the wage scale of the Duncan commission. This scale represents a cut of ten per cent. from the 1924 level, and was originally suggested by the corporation early in 1925, at which time the miners turned the offer down and the strike resulted. Much then hinges on the outcome of the meeting between Besco and the miners. The latter appear to be faced with the alternative of accepting the corporation's scale of wages which the Royal Commission decided was eminently fair, or of turning down the corporation's offer and losing, possibly for many years, the sympathy and active aid which has been extended to them from other portions of the Dominion in the past.

CANADIAN CAR STILL UNDER OLD CONTROL

A. Hicks Lawrence No Longer on Board, Which Has Been Reduced in Numbers

From Our Own Correspondent.

MONTREAL.—At the annual meeting of the shareholders of the Canadian Car & Foundry Co. the directorate was reduced from thirteen to eleven members, all the old board being elected with the exception of A. Hicks Lawrence and W. H. Woodin, both of New York. It will be recalled that A. Hicks Lawrence made many charges against the present administration and sent out proxies in favor of himself for the meeting. His endeavor to retain a seat on the board met with but little success, for of the 92,677 shares represented at the meeting, 77,145 voted for the new board of eleven members and 15,532 voted for the board as proposed by A. Hicks Lawrence.

In presenting the financial statement for the past fiscal year, W. W. Butler, president of the company, stated that it was far from satisfactory. He pointed out that at the last annual meeting he had intimated that the outlook for the time being was none too bright, a view well founded as events have proved. The railroads purchased but little equipment in 1925, and, as a result, car orders received by the company were the lowest in its history. Mr. Butler mentioned that while the company's capacity was 25,000 freight cars and 550 passenger cars per year, it had received in the past fiscal year orders only for 365 freight and 73 passenger cars. He pointed, however, to the subsidiaries, which he said enjoyed a fair amount of business, and added that when it was considered that the total amount of business received last year amounted to only $6,000,000, as compared with over $20,000,000 in the preceding year, the results of operations must be considered satisfactory.

The president also stressed the fact that the company's statement shows a substantial write-off for depreciation, a deduction that is not usually made by car companies, and that was done despite the fact the plants of the company were kept at high standard out of earnings. He also mentioned that the inventories of the companies are shown at the lowest figure in the company's history and pointed to the substantial reduction that has taken place in the bond debt of the organization.

Hon. N. Curry, chairman of the board, occupied the chair, and in the course of a talk to shareholders spoke in optimistic vein regarding the immediate outlook for the company in the matter of business.

A story in connection with the strength displayed by "Car" stock indicates that there is the chance of the company receiving a substantial payment of its claim for war indemnity. This would come through the United States war indemnity board, as it arose through the destruction of its shell plant in New Jersey. The plant was blown up during the war by enemy agents whilst it was engaged in filling a big shell order for the Russian government.

There has been neither an official denial nor confirmation of this story; in the meantime W. W. Butler, the president, and A. Whyte, the vice-president of the company are at present in New York where, it is said, they are on business in connection with these claims.

Rumors also indicate that a large order for freight cars from one of the railways is on the point of being closed.

Foundries and Forgings Show Better Earnings

From Our Own Correspondent.

MONTREAL.—The year 1925 brought better business to the Canada Foundries and Forgings. Although the company, in common with the other steel manufacturers in Canada, found business during the year better, yet no decided improvement has taken place. It is anticipated that the forthcoming annual report will show that both gross and net earnings have undergone only a moderate improvement.

PORT ALFRED PULP & PAPER CORPORATION

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Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
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HEAD OFFICE: 2 Seigneurs Street MONTREAL

THE new client's sales manager was being dined after the conference—

"You know, that letter you wrote pleased our G. M. very much," he said. "He examines all the mail for each department each morning. When I opened my mail folder, your letter was on the very top, with 'See Me' on it. We agreed that it was the finest letter we had received in our office for months. We don't usually hand out compliments but we were in the mood to make a change in our business connection when your letter arrived. We had received others but yours did the trick—at least it started things. That's one reason why you're getting this big order."

It was nothing but PAPER. PAPER "did the Trick." The letter did look dressed up. It did carry the message well. It fairly breathed success. It crackled. It was SUPERFINE LINEN RECORD—king of all bonds. Your printer will confirm the staunchest claims we can make for this high quality sheet.

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Established 1855

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The interest on amounts invested in these Bonds is COMPOUNDED half-yearly. As compared with interest at the same rate paid half-yearly, and probably spent as received, this compounding of interest means a considerably greater return to the investor. The Bonds are issued as required in sums of $100.00 and upwards. Interest commences the date the money is received. $390.60 invested in these Bonds to-day will amount to $500.00 at the end of five years.

Any further information desired will be cheerfully furnished on request.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET - TORONTO, 2
Assets exceed $47,000,000.00

5% Interest Return

INVEST YOUR SAVINGS
in a 5% DEBENTURE of
The Great West Permanent Loan Company
SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

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Food Products

THE VIAU BISCUIT CORPORATION TO SELL BOND ISSUE

Public Offering Made at 99 to Yield 6.6 Per Cent.

From Our Own Correspondent.

MONTREAL.—A new issue of 6½ per cent. first mortgage bonds of the Viau Biscuit Corporation has been purchased by H. B. Robinson and Company and J. S. Robinson and Son. Public offering of these bonds is being made at 99 and accrued interest to yield 6.6 per cent.

The Viau Biscuit Corporation is a solidation of Viau et Frere and J. Dufresne, of Joliette, Quebec, two of the largest biscuit manufacturers in the province of Quebec.

Both companies have a well-established business. Recently $1,000,000 7 per cent. first preferred cumulative stock in the corporation was offered the public. The authorized and issued amount of the present offering is $400,000. This makes a capitalization as follows:

	Auth'z'd.	Issued
6½% Skg. Fund Bonds	$ 400,000	$ 400,000
7% 1st pfd.	2,500,000	1,000,000
7% 2nd pfd.	1,000,000	470,000
Com. stock no par value (shares)	50,000	25,000

As security for the present issue, there are total assets of $1,676,701; of this amount over $500,000 is working capital and the remainder consists of fixed assets, such as plant or property.

There is one issue of bonds underlying the present offering. This is a mortgage on the Dufresne property of $66,000, which is being retired at the rate of $350 per week.

The Company's Earning Record

After deducting over $57,000 for depreciation and bad debts reserve and also allowing for other expenses which do not apply to the new company, the consolidated balance sheet of the two component organizations for the year 1924 shows a profit of $150,628. The annual interest requirements on the present issue total $26,000. The combined earnings of the two constituent companies averaged over the past five years are even higher than the foregoing figures.

A sinking fund clause is provided in the trust deed covering the issue whereby 1½ per cent. per annum of the total issue will be deposited annually to retire the bonds.

It is anticipated that the net profits for the present fiscal year will show a decided increase, due to savings which will be made by the operation of the two companies under a single mangement.

Atlantic Sugar Plant Continues at Capacity

From Our Own Correspondent.

MONTREAL.—The plant of the Atlantic Sugar Refineries continues to work to capacity and this month 30,000,000 pounds of sugar will be melted. This production compares very favorably with the business which was experienced in January of last year. During the past few months, the export business has been increasing and it is understood that this improvement is being continued.

$8,000,000 Increase in Flour Shipments

The value of wheat flour exported from Canada during the twelve months ending November was $73,562,011 against $65,652,020 last year. This represented a volume of 10,104,787 barrels against 12,039,026 for the corresponding period last year. The United Kingdom is still the largest consistent market for Canadian flour, having purchased 2,585,100 barrels at a value of $18,473,387 during the period under discussion. While the figures are not yet complete by countries, it is stated that the Orient was a very heavy buyer of our flour during the period.

Large shipments of flour are still going forward to a number of foreign countries, at very satisfactory prices. While the grain crop, especially wheat, was sold early in anticipation of price declines, flour shipments are being made later, if anything, than last year.

St. Lawrence Flour Earnings Increasing

From Our Own Correspondent.

MONTREAL.—The rise in the stock of the St. Lawrence Flour Mills again draws attention to this company which, a few months ago, was a centre of interest because of negotiations which were taking place at that time with the Western Canada Flour Mills.

Earnings of the St. Lawrence Flour Mills thus far in its fiscal year have proved very satisfactory; indeed it has been said that the earnings during the month of September were sufficient to offset the deficit which appeared in the last annual statement.

The recent strength in the stock indicates either the improved earnings, or possibly the taking over of the company by one of the larger millers, such as the Western Canada Flour Mills; so far no information has been forthcoming.

The Lake of the Woods Has Good Four Months

MONTREAL.—The earnings of the Lake of the Woods Milling, since the close of its last fiscal year on August 30 last, have been maintained at very satisfactory levels.

The past month is always quiet for the millers, and Lake of the Woods has experienced a little slackening of business due to the seasonal slump which has affected the industry as a whole. The spread between the price of Canadian and United States wheat this year has enabled millers to secure a larger share of foreign markets, thus reversing the situation which existed a year ago. This is one of the factors which has resulted in good business for the company during the past four months. Again, the recent acquisition of the Dominion Flour Mills has helped in the development of this foreign business.

Shredded Wheat Making More New High Records

Further advances to 194 have been scored by shredded wheat shares this week.—At the end of December, after having ranged from 148 to 170½ during the previous twelve months, the stock was 167 bid, with practically none offering at that level. The final sales for 1925 were made on December 29 last at 169. During the present year thus far, a gain of sixteen points in market position has been recorded. The opinion prevails in the Street that the management has decided upon some form of benefit for the shareholders, and an announcement is expected in this connection almost any day now. At the present time the company is paying 10 per cent., and, at 185, this gives a yield to the investor of 5.40 per cent., so that it is not without the realm of possibility that some decision may be reached to increase the dividend.

Public Utilities

'PEG ELECTRIC AND MANITOBA POWER SHARES COMPARED

Investors Engage in Estimating Respective Values

From Our Own Correspondent.

MONTREAL.—There is an anomaly in the stock market price of Winnipeg Electric as compared with the rise in the stock of its subsidiary company to around 34. The general impression is that the former should sell at a considerably higher level, whilst the latter is perhaps selling too high.

The reason for the rise in the Manitoba Power stock lies, of course, in the improved outlook for bettered earnings; it is understood that the parent organization owns about 60 per cent. of the outstanding stock of its subsidiary, so that the bettered position of the Manitoba Power will, to a large extent be reflected in the earnings of the 'Peg Electric.

Moreover, the trust deed covering the bonds of the subsidiary provides that the Winnipeg Electric shall, at all times, purchase sufficient power from its subsidiary to meet the interest requirements of the issue. Until recent times, this contract has resulted in the parent company having to absorb power which it was not always able to dispose of at advantageous rates. The securing of the power contract for the new Manitoba Pulp and Paper Company by the Manitoba Power means that Winnipeg Electric will be relieved of the possibility of being forced to purchase power from its subsidiary.

Of course, one of the reasons why the parent company did not participate in the rise of Manitoba Power is due to the fact that the latter is closely held—a few buying orders would naturally increase the price. In any event, if Manitoba Power sells at between 30 and 40, it is obvious that Winnipeg Electric is worth well over 60.

The company will install a third 28,000 horse power unit at its plant. The tenders for the new equipment are to be called presently, and the installation will be completed in about nine months' time ready to take the load of the Manitoba Pulp and Paper Company's new mill.

The plant at present produces 56,000 horse power. The company has erected a temporary line to the site of the pulp mill and the power is being used for construction purposes; a permanent transmission line will shortly be built. It is this news which has strengthened the stock market prices of the company's shares.

Regarding the market position and prospects of Winnipeg Electric, O'Brien and Williams say: The sharp rise to 35 in Manitoba Power should, we think, be reflected in the price of Winnipeg Electric which controls 62,000 shares of Manitoba stock. The present price of Manitoba is equivalent to $20 a share on Winnipeg.

PUBLIC OWNERSHIP ON PRACTICAL BASIS

It is Being Worked Out by the Utilities Which Are Selling Shares to Customers

NEW YORK.—The growing extent to which practical public ownership of utilities is being adopted through the purchase of shares by customers is referred to by James Speyer, head of the banking firm of Speyer & Co., in reviewing the financial and business situation:

Progressive and far-seeing managers of public utility corporations have shown the way to a larger distribution of their shares among their customers. Not only should officers and directors entrusted with the management of our railroad properties continue their campaign of education, but they might try to bring about a larger distribution of ownership, not only among the men they employ, but also among the shippers and people living along their lines, away from "Wall Street!" There is some money available everywhere nowadays for investment in railroad securities.

It is not only for our own well-being that this transportation and other important problems should be solved and settled right in a broad spirit with justice to all. There is an added and worldwide reason why this should be done: The "eyes of the world" are on the United States! We have become the great creditor nation. We have reached the last and final step of modern economic development.

It has been estimated that $10,000,000,000 have so far been invested by our people in foreign securities, of which, perhaps $1,000,000,000 were invested in 1925. We have only begun to export capital, a position which during the last fifty years or more was pre-eminently occupied by Great Britain, and it is a unique fact that we have accumulated and begun to export surplus capital when the resources of our country are not yet fully developed, and while there is still room in this blessed land of ours for millions to come and work and live happily and in comfort.

Brazilian Traction Still Meeting Popular Demand

Although there was some reaction from its high mark by Brazilian Traction following the announcement of the increase in dividend rate to five per cent., investment buying of a substantial character has since been resumed. The future of the company is, of course, dependent on business conditions in South America and on the rate of exchange so far as the shareholders are concerned, but there is a pretty confident feeling that the dividend will again be increased next year. The milreis has been strong of late and the exchange situation in general is regarded as satisfactory with prospects of improvement. On the other hand it should not be overlooked that further advance in the stock will undoubtedly be on the basis of discounting better things to come and the attraction is therefore for the speculator rather than the conservative investor.

GAS SALES MAKE RECORD IN 1925

NEW YORK.—Official figures made public by the American Gas Association show that the manufactured gas companies of the United States sold 421 billion cubic feet of gas in 1925, a new high record.

This is an increase of 16 billion cubic feet over 1924, and a five-year increase of 100 billion cubic feet. In the last ten years sales of gas have more than doubled.

Canada Northern Power Benefits by Rouyn Road

From Our Own Correspondent.

MONTREAL.—The advent of the railway into the Rouyn mining field should benefit the Canada Northern Power, for, it is understood that several companies in that area are awaiting the coming of the railway before putting in mining machinery, which would utilize Canada Northern's power.

In the meantime, the company has completed the survey for a transmission line into that territory. In this connection it is interesting to note that the Noranda mine is just 40 miles from the Canada Northern's plant on the Quinze River.

FARE INCREASE FOR D.U.R.

Voters have granted a fare increase from five to seven cents to the City Electric Railway, a subsidiary of the Detroit United Lines. The vote was 4,535 to 672. Under an order of the United States District Court, referred to, the D.U.R. would have stopped service on the lines this week had the increase not been granted.

Enter the Traffic Manager; Engineer of Freight World

NOT many years have passed since the Industrial Traffic Manager was first introduced in Canada. During this time, great strides have been made in the progress of traffic management. With the ever growing complexity of traffic problems, manufacturing and distributing industries have come to recognize the importance of traffic management and the necessity for including in their organizations traffic managers who are skilled in traffic affairs.

Laws, rules and regulations are constantly changing in the traffic world to meet new conditions and requirements of commerce, and in order to keep abreast of all the highly technical developments in the field, a traffic man must be specialized in traffic and transportation matters, an economist, a capable executive and a business man to keep pace with the task.

May Have University Course

Traffic management, like engineering, accounting, law and medicine, is a technical profession requiring sound preparation, the importance of which has been realized by the Board of Governors of the University of Toronto. Dr. Cody, as the chairman of that board, has expressed himself in favor of the establishment of a Chair of Transportation in the university. Negotiations are under way towards accomplishing this objective.

In obtaining the best possible transportation services for their members, the Canadian Manufacturers' Association and the Boards of Trade have rendered valuable service through the medium of their transportation departments. In addition, we have in our midst a Canadian Industrial Traffic League, composed of the traffic managers of many of our business organizations in Canada. This league has for its objects by the interchange of ideas and the study and discussion of questions of mutual interests: to promote a better understanding by provincial and Dominion governments and public, of the needs of the traffic world; to secure modification of present laws, regulations and rulings where they are harmful to the free interchange of commerce; to advance fair dealings; to promote, conserve and protect commercial and transportation interests; to co-operate with the board of Railway Commissioners for Canada and other regulating bodies, the Canadian Manufacturers' Association and similar organizations and the transportation companies, thus bringing about better transportation conditions generally.

Meetings are held where traffic problems are discussed freely and, when necessary, action taken with the various governing bodies. Talks on educational matters, by men of experience, pertaining to traffic affairs, are a feature of these meetings.

To Be Dominion Wide

Until quite recently, the membership in the league has consisted chiefly of industrial traffic men in the Province of Ontario, particularly in Toronto and near-by cities and towns. This year, however, a broadening out policy has been initiated whereby the league, it its workings, will be Dominion wide.

For this purpose, the country has been divided into five divisions or areas, the Maritimes, Quebec, Ontario, the Prairies, and British Columbia, each division being self-contained and having the power to deal finally with all matters of purely local interest within the territory comprised in the division. Final settlement and action of questions of general interest to the league, however, are referred to an executive council. Montreal has already thrown in its lot with the league and it is felt that the addition to the membership will be considerable.

As the league expands in membership it will, no doubt, be an influence in the shaping of laws and policies affecting transportation in Canada.

Important Real Estate Deals Closed at Vancouver

VANCOUVER. — Seven real estate deals aggregating $500,000 give rise to the belief among realtors here that before spring widespread activity will be noted.

The largest deal reported was the sale of Washington Court, at Nelson and Thurlow, by the owner, Mrs. Ella Maud Telford, to Ideal Securities Ltd., for $142,000. Mrs. Telford also sold the N. W. corner of Thurlow and Haro to the same concern for $60,000.

J. H. Todd and Sons Ltd., of Victoria, report selling their property on Hastings, between Hamilton and Homer, to the Bell-McKee Investment Co., for $111,500.

Vancouver Milling and Grain Co., 236 Smythe St., has purchased trackage property immediately south of its plant from the C. P. R. for $104,000.

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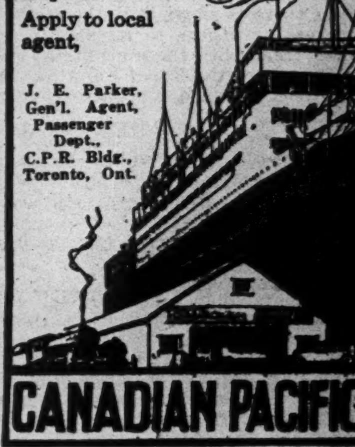

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FIFTY-SEVENTH ANNUAL MEETING OF THE ROYAL BANK OF CANADA

Sir Herbert Holt, President, in Annual Address, Reviews Expansion of Trade in Principal Centres—Dealing With Situation in Canada Stresses Necessity of Lower Taxation and Consolidation of Railways—Sees No Reason Why Canada Should Not Return to Gold Basis.

C. E. Neill, General Manager, in Reviewing Annual Statement, Points Out That Bank Had Never Before Been in Such a Strong Position—Submits Convincing Case in Favor of Canadian Branch Banking System and Benefits to Country of Amalgamations—Pays Warm Tribute to Entire Staff.

The Fifty-Seventh Annual General Meeting of the shareholders was held at the Head Office of the Bank in Montreal. Sir Herbert S. Holt in the chair.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

PRESIDENT'S ADDRESS

Sir Herbert S. Holt, Chairman, in moving the adoption of the Directors' Report, said:

The progress of the Bank has been marked by two important developments during the year; the purchase of the Union Bank of Canada and of the Bank of Central and South America. The purchase of the Union Bank of Canada was formally ratified by the shareholders on July 21, 1925, and received the approval of the Governor-in-Council on August 31, 1925.

In order to supervise properly the large addition to our western business and in accordance with our accepted policy of decentralization, our committee of Directors and executive staff in Winnipeg have been increased. The Committee has been strengthened by the addition of Mr. W. R. Allan and Mr. R. T. Riley, former Directors of the Union Bank of Canada, and Mr. J. W. Hamilton, former General Manager of the Union Bank has been appointed as Assistant General Manager. In addition to these two Directors, Mr. Stephen Haas, of Toronto, Mr. John H. Price, of Quebec, and Mr. W. H. Malkin, of Vancouver, also former Directors of the Union Bank of Canada, have been added to our Board. It is a matter of satisfaction that we have been able to bring to our counsels the advice and business ability of these new Directors who were so long associated with the Union Bank of Canada. I feel sure that the customers of both Banks will benefit through the greater resources and more extensive facilities now afforded and also that with the economies which have been effected in administration, the acquisition of the Union Bank of Canada will prove to be in the interests of the shareholders of both institutions and the banking situation as a whole.

The purchase of the Bank of Central and South America which was consummated on February 2nd, not only strengthened our position in several countries in South America where we were already represented, but also gave us branches in Colombia and Peru. For the purpose of inspecting our extensive interests in South America and making a survey of the new affiliations resulting from the purchase, several of your Directors, in company with the General Manager and myself, visited the chief offices of the Bank in Brazil, Uruguay, Argentina and Peru, early last year, returning by way of Cuba.

Generally speaking the economic conditions in the various South American countries in which the Bank operates are inherently sound. Our business there is expanding, the facilities which the Bank can offer appeal in an increasing degree to merchants and traders. The steady growth of Canadian trade with these countries gives every reason for encouragement. The influence of the Royal Bank has had no small share in this increase and we can look forward to future development with confidence.

NEW HEAD OFFICE PLANNED

You will be interested to learn that we have decided to proceed with the erection of our new Head Office building in this city with as little delay as possible. For several years past, owing to lack of satisfactory accommodation, the business of our Montreal Branch has been conducted under great disadvantages. The office is already overcrowded and there is no room available to take care of our steadily increasing business. The situation of the executive staff is much worse. The head office departments are now operated in four buildings on both sides of the street. The inconvenience of such a condition is great and obviously tends to lessen efficiency of operation. As you know, we acquired several years ago, the entire block on St. James Street between St. Peter Street and Dollard Lane. For some time past we have been studying plans for the new building, and while many of the details have not yet been definitely settled, we expect to commence building operations in the near future. In designing the building we have provided for ample space for future extension which, until required, will be rented, thereby reducing the Bank's overhead expense.

THE SITUATION ABROAD

It is a matter of satisfaction that after several years of business depression there are beginning to emerge definite indications of general improvement and we can speak more confidently of hopeful prospects. The European situation, both political and economic, continues to improve. Looking over the last few years, we can mark the slow but steady progress towards financial stability in the settlement of war debts, the restoration of exchanges and the achievement of budgetary equilibrium amongst continental countries, while the recent ratification of the Locarno Agreement, assuring as it does a measure of security, represents in the political sphere the most notable achievement in Europe's post-war history.

The inauguration of the Dawes Plan, providing for the tentative solution of the vexed reparations problem, was followed by the restoration of German currency, the rehabilitation of her national finances and the balancing of her budget. The Belgium and Italian war debts to the United States have been funded during the year and negotiations for the final settlement of the French debt undertaken, although no definite agreement has been reached.

On the 28th April last Great Britain returned, with slight modifications, to her pre-war monetary basis by the resumption of gold payments. There was much theoretical discussion in favor of a composite standard as a substitute for gold, but the practical necessity of getting the world's trade back on a common monetary basis was recognized. The gold standard is not perfect; the annual production of gold bears no relation to the changing monetary needs of the world, and its changing purchasing power has in the past resulted in serious social injustices; but gold does establish an international measure of value on which the world's trade can be based without the disturbing effects of wide fluctuations and what is perhaps of equal importance, it carries confidence. The excessive gold holdings of the United States are an abnormal factor in the present situation and the extent to which they might exert an undue influence on gold prices was a matter of some concern; but it would appear that the United States Government has determined, as a definite policy, to endeavor to maintain approximately the present money and price relations; in other words, a practically stable index number of commodity prices, and it may very well be that in this policy lies the solution of the difficulties feared by the advocates of a "managed currency."

While the trade depression in Great Britain is still pronounced, the position in several respects is more favorable than for some time past. The recent increase in industrial activity is reflected in lower unemployment figures and has been accompanied by a decline in the visible adverse balance of trade. High production costs in important industries, however, are still hampering the recovery of export trade, while the amount of idle tonnage as a result of the decline in volume of the world's sea borne commerce, has an important bearing on the depression of British shipping.

Notwithstanding much that is unsatisfactory in the present situation, Great Britain has made more real progress towards normal conditions than any European combatant country. With creditor claims unsettled, her own war debts have been arranged. Public debt is being steadily reduced and the burden of taxation, although still very heavy, is being lessened. Factors which are restricting the competitive ability of British industry are progressively being eliminated. The lifting of the embargo on foreign loans will go far towards restoring London to its former position as the world's central money market.

INDICATIONS OF IMPROVEMENT

Turning now to our own conditions, we can see in different quarters encouraging indications of improvement. The usual statistics which reflect the volume of business, indicate a tendency to expansion. The cumulative totals of Bank Debits and car loadings are slightly above the corresponding figures of last year. Foreign trade continues to increase and for the first eleven months ended November, 1925, reached a value of $1,920,048,928, being an increase of $227,701,280 over the corresponding period of last year. Considering that the general level of commodity prices has been comparatively stable, the higher value of foreign trade is particularly significant of improved conditions.

Commercial failures, both in number and extent of liabilities, are lower than for some years. Building operations have been more active. The total value of contracts awarded in the first eleven months was $285,297,700 as compared with $247,393,300 last year.

Mineral production records are extremely gratifying. Gold, lead, zinc, nickel, copper and many other minerals show increases in production. The value of the output of minerals in Canada for the year 1925 reached a total of $288,440,000 in comparison with $209,583,406 for last year, and the previous record of $227,859,665 attained in 1920.

Newsprint production was about 11.4% higher than in 1924 and the combined output of the Canadian mills for the eleven months of last year was 1,382.121 tons, which was only 7,684 tons less than the total production of the United States mills in the same period. If our forests are properly conserved, this industry will become a steadily increasing asset to Canada.

OPPOSED TO POWER EXPORT

I cannot pass over the development of our national power industry without comment. In November, the central stations of Canada produced 25,526,000 kilowatt hours; this is equivalent to nearly twice the per capita power production in the United States. Inaccessibility of coal and other factors are making Canada one of the great electrical power using countries of the world. The July issue of our Monthly Letter contained a graph showing the rapid progress that is being made towards the utilization of Canadian water power resources. In Quebec, for instance, turbine installation has been increased by one hundred per cent. in the last ten years, and the rate of increase is growing. Canada possesses vast power resources which will eventually be available for development, but only a limited amount can now be economically and advantageously developed. Since most of these available sites are close to our own industrial centres, it is vitally necessary that they be utilized for power development which will aid our own industries. The full realization of what home utilization of this power means in the development of home manufacturing, is producing a concensus of opinion conclusively opposed to power export.

We consider this matter of such importance that we have had statistics collected, showing the monthly power production throughout Canada. These figures will be made available to the public through the issues of the Monthly Letter. It is most desirable that there shall be a well-informed public opinion to aid in the solution of this question, which is of such great interest to Canada's industrial welfare.

A distinct change for the better has come over the basic industry of agriculture and this is the most important element in the general situation. A splendid crop has been harvested in practically all parts of the country. The final estimates of the wheat crop are better than the preliminary figures and place the total yield at 422,327,000 bushels, an increase of 160,230,000 bushels over last year, which represents the second largest crop in our history. With prices at the present level it is estimated that the total value of Canadian field crops this year was about $500,000,000 more than in 1924.

Last year's agricultural income was largely devoted of necessity to the payment of accumulated indebtedness and the farmers' financial position in consequence was considerably improved. This year agricultural prosperity will not only be more widely distributed, but returns will be available to a greater extent for new purchases. This is very reassuring to business generally and is the chief basis for optimism.

Not that trade and industrial prospects are uniformly good or the national outlook clear of anxiety. Canada has many serious problems to face. The present industrial situation is not satisfactory. Several of our most important industries are in a state of depression; immigration figures make unsatisfactory reading; our railway problem is still unsolved; the burden of taxation is unrelieved and our national finances are not moving in the right direction.

In discussing our economic problems, I have no desire to enter the somewhat barren field of political controversy, but I am convinced that unless economic sense is brought to bear upon the situation, to the exclusion of political considerations, no satisfactory solution of our difficulties can be found.

There is no question that too large a percentage of our national income is being absorbed in taxation. The total gross production of Canada, agricultural and industrial, for the last year, for which official statistics are available was $4,485,487,785. The total net production was $2,728,906,285. During the same year, the total tax collected by the Dominion, Provincial and Municipal Governments of Canada amounted to $627,902,769, or almost one-quarter of the value of the net production. Reduced to agricultural terms, the amount of taxes required to support the Federal, Provincial and local Governments in 1923 was equal to nearly twice the value of our entire wheat crop of that year.

HOW TAXES COMPARE

It is the relation of taxation to national income which constitutes more nearly the real tax burden. The ratio of taxes to national income in other countries has fallen much more rapidly than in Canada during the past three years. I will give you the figures of Great Britain and the United States, in comparison with our own, and you will note to what extent the burden of taxation has been relieved:—

RATIO OF TAXATION TO NATIONAL INCOME

	Great Britain	United States	Canada
1921-22	27.5	16.7	19.8
1922-23	26.8	12.1	19.9
1923-24	22.9	11.6	19.7

Taxation in this country has reached the point where it is retarding the growth of national wealth. The tax burden enters into and increases the cost of production, decreases demand, and, with it, profit and wages. Far more serious is over-taxation in its effects upon national development, in the withdrawal of money from productive use, hampering expansion, discouraging enterprise, driving capital into Government bonds and foreign securities and operating generally against productive industry in this country.

The net debt of the Dominion, which has increased from $2,340,878,983 in 1921 to $2,431,487,112 on the 31st of March last, is now more than seven times the pre-war figure, exclusive of the bonded obligations of the National Railways, amounting on the 31st December, 1924, to $913,913,092, two-thirds of which is directly guaranteed by the Federal Government. No one can regard this enormous expansion of public debt without grave misgiving. Interest charges alone constitute a great burden on productive enterprise. This cannot be materially reduced until the debt itself is reduced, and we need to adopt a consistent policy of debt reduction through the medium of sinking funds.

The country is overburdened with Government, and there is urgent need of administrative surgery to remove some of our present disabilities. Not only should the cost of Government be reduced, but there must be a suspension of those unproductive capital expenditures, often of a political nature, which have in the past few years added so largely to our national debt. The burden of taxation can be lightened only if the necessity for rigid public economy on a scale commensurate with the needs of the situation is resolutely faced.

RAILWAY CONSOLIDATION URGED

I pass now to what is, in my mind, our most serious domestic problem, that of the National Railways, the operation of which is annually placing an enormous additional burden on an already over-taxed people. The practical difficulty in solving this problem is so great that we have as yet hardly approached a solution. Under present conditions, there is not sufficient traffic to enable two great continental railway systems to operate competitively with financial success. Canada has advanced to the Canadian National Railways in the last six years an amount averaging over $100,000,000 annually, amounting in the aggregate, according to Government and railway reports, to the sum of $710,943,247, which is greater than the entire capitalization and bonded indebtedness of the Canadian Pacific Railway. The country simply cannot afford the present rate of expenditures. While the gross earnings have improved during the latter part of the past year, and the net operating results substantially so, there have been enormous capital expenditures, and there appears to be very little prospect of any material reduction in the annual deficit, which for the year 1924 amounted to $55,757,481. Some means must be found to overcome this annual railway drain on the Federal Treasury, which already absorbs more than the entire revenue from the Income Tax, and to avoid further capital expenditures which, under present conditions, are not likely to be productive of additional net earnings sufficient to pay interest on their cost. I am convinced that the consolidation of our two great railway systems for the purpose of administration and operation on a basis that would not penalize the past efficiency and economy on the part of the privately-owned railway is the only practical means of quickly eliminating the present enormous loss.

I approach the question of tariff policy with reluctance. There is not lacking evidence that recent fiscal policy has had a disturbing effect on established industries, and the consequent industrial unemployment has been the chief factor in the southward exodus. A great manufacturing industry has been built up in Canada over a long period of years. Large sections of our population are supported by industrial wages or indirectly dependent on industrial activity. There is need of a scientific study by a properly constituted board to evolve and keep revised an adequate and stable tariff for protection of those industries which it is in the national interest to foster and develop. As I said last year increased protection is in many cases unnecessary. Stability is the thing to be desired. There is also the ever-present necessity of revenue which, if not collected in the form of customs duties, must be raised by burdensome methods of direct taxation. Successive reductions in the Canadian tariff since 1919 have not only been a factor in our industrial depression, but have made it necessary to depend more upon other sources of revenue, such as the Income Tax and the Sales Tax, in which the cost of collection is unfairly imposed upon the manufacturers, and other additional and irksome taxation under the War Revenue Act.

Moreover, it must be remembered that Canada is a debtor country, with some $300,000,000 in annual interest on Government, Corporation and Municipal securities held abroad. Exports must, therefore, play an all-important part in the country's financial economy, and unless a fairly diversified industry is built up there is the danger of the country's economic structure being unbalanced.

SITUATION THROUGHOUT CANADA

The national problems that confront us are complex, but inter-related. They are accentuated by the contiguity of the wealthiest country in the world. The physical geography of our country and the sparsity of population tend to a regional rather than a national outlook, and while both easterner and westerner are alike in their loyalty to the Dominion and to British traditions, the more immediate political dangers seem to lie in the intensification of provincialism, with its separate outlook and local economic interest. Our interests throughout Canada keep this question constantly before us. The Royal Bank has its roots in the Maritime Provinces, where our business was inaugurated; it owes a good measure of its prosperity to the development of the central portion of Canada, and in the Western Provinces our business to-day is extremely important. Our contact with affairs in the various provinces has served to impress on us very deeply the close relation between the prosperity of one section and the prosperity of the others. Fundamentally, the interests of the different sections are identical, and our problems can be solved if only we bring to the discussion of them a friendly spirit of give and take. What is needed is a United Canada, closer co-operation between East and West in a national programme that will promote national development.

Last year we called attention to the ease with which it would be possible for Canada to return to the gold basis. The movement which has since developed towards the stabilization of the exchanges of most of the influential nations of the world indicates the value which they attach to definitely linking their currencies with gold. Meanwhile, the course of exchange between Canada and the United States has shown that the restoration of gold payments by this country would be a simple matter. I cannot conceive why there should be any delay in ending the present anomalous situation.

Closely related to taxation and industry is the unsatisfactory situation with regard to immigration. The primary problem is, of course, to provide economic conditions in this country that will hold the present population and attract desirable immigrants. The drastic, restrictive policy adopted by the United States, which seemed at one time likely to benefit us in the general movement of population, has, with the prevailing prosperity, served to encourage the exodus of our skilled workers. In comparison with Great Britain, Canada is a prosperous country with wider opportunities, a better standard of living, lower per capita debt and higher per capita income, but, compared with the United States, Canada is economically a less favorably situated country, burdened by an enormous debt and heavy taxation. Taxes are lighter to the South, prices are lower, and, with the further progressive reductions in taxations, the disparity in living costs of the two countries is likely to be increased rather than diminished.

With a sparely populated country, large tracts of arable land and immense undeveloped resources, we must not relax our efforts to expand our productive population, increase the earning power of the country, and by rigid economy and reduction of taxation, give the needed stimulus of encouragement to productive enterprise.

There is little need for me to emphasize my abiding faith in Canada. However serious the present situation may seem, we should not let these immediate troubles so disturb our perspective that we fail to keep in view those more fundamental factors such as the great natural resources of the country and the world's need for our products. Canada's future is assured, but we must so address our ingenuity, strength and courage to our problems that this future prosperity and development will come in our own lifetime.

GENERAL MANAGER'S ADDRESS

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows:—

Before considering our Balance Sheet, I should like to refer to the purchases of the Union Bank of Canada and the Bank of Central and South America, which have already been mentioned by the President.

Through the former, we have secured an invaluable connection in the Western Provinces and a substantial addition to our already large chain of branches in Ontario. We were fortunate in completing the purchase just before a harvest of record value, and this has resulted in a substantial increase in deposits in the West and helped in the liquidation of loans. Owing to the duplication of offices, we have been able to close 48 branches, and the economies which have been effected and which will be effected during the ensuing year should add to our earning power.

The purchase of the Bank of Central and South America has proved to be a very satisfactory transaction. In addition to making a substantial cash profit, we have considerably augmented our business at certain points where we are already established, and we have acquired branches in the Republics of Colombia and Peru, where we were not formerly represented. All these branches, with their relative business, have been acquired without the usual cost of establishment, and we have already demonstrated that the new connection is not only profitable but susceptible to considerable expansion on sound lines.

One of the most important features of the purchase of these two banks is the addition to our staff of a well-trained body of officers, including a number of men of outstanding ability. Through this addition we have been able to strengthen our personnel at a number of important points. Undoubtedly to a great extent the growth of our business depends upon the personal qualifications of our branch Managers and those members of the staff who come in contact with the public and therefore it is constantly our aim to encourage competent and ambitious officers whose record of achievement entitles them to promotion.

RECORD INCREASE IN ASSETS

The fifty-sixth annual financial statement of the bank is presented to you to-day, and will, I think, be received with satisfaction. The period of deflation which followed the war is now safely behind us, and the figures of our Balance Sheet clearly indicate the commencement of more prosperous times. The outstanding feature is the increase of $204,689,269.34 in total assets, which is greater than in any previous year. Of the increase, approximately $105,000,000 may be attributed to the purchase of the Union Bank of Canada and the Bank of Central and South America; the balance is the result of the growth of our own business. Of the total increase, about 80 per cent. is through our Canadian business, the remainder through our foreign business.

The increase in our deposits is the largest we have ever experienced, viz., $179,848,765.99. Commercial loans have not kept pace with the growth of deposits, and it is worthy of comment that at no time in the history of Canadian banks have current loans shown such a wide margin below deposits. The large surplus funds thus made available have been invested in short-term Government securities and call loans, in order that we may be prepared to take care of the demands of our customers during the period of more active business conditions which we foresee.

The bank has never before been in such a strong position, our holdings of cash, including bank balances, being $198,314,647.03, or equal to 28.04 per cent. of liabilities to the public. Call loans are $72,505,870.44 and Government and other securities which are readily realizable total $127,283,417.80. Our liquid assets are thus 56.30 per cent. of liabilities to the public.

Profits for the year have been satisfactory. The usual dividends and bonus, amounting in all to 14 per cent., have been paid to the shareholders, and we have made the customary appropriations for Bank Premises and Pension Fund. Extraordinary expenses in connection with the absorption of the Union Bank of Canada, which amounted to a substantial sum, have been taken care of, and full provision has been made for bad and doubtful debts.

The Balance Sheets of the Globe Realty Corporation and the Canadian Realty Corporation are before you. The equity in the former company has been increased by $400,000 during the past year through the operation of the sinking fund. The total payment into the sinking fund to date out of profits is $1,000,000, and there will be a further payment of $400,000 in March next. The equity in the company, based on the original appraisal, is now $8,314,770.86, and is carried on our books at $1. The Canadian Realty Corporation, the subsidiary which owns a number of Union Bank of Canada buildings, has a sinking fund of $600,000, of which $100,000 was paid out of profits during the past year. The common stock of this company, which represents an equity of $1,633,175.44 on appraised value, stood on the books of the Union Bank at $1,000,000. It is our intention to reduce this amount gradually until it stands at $1. Because of the expansion of our business and the properties, we have been obliged to take over, through the purchase of other banks, our investment in premises is larger than we care to have it, but that we are meeting the situation is evidenced by the fact that, through our Bank Premises appropriation and the operation of realty sinking funds, we have written off no less than $900,000 out of profits during the past year.

GENERAL CONDITIONS IN CANADA

As you will receive, as usual, with the report of the proceedings of this meeting, detailed information regarding conditions in Canada and other countries where we are represented, it will be necessary for me only to summarize the situation as briefly as possible to-day.

On the Pacific Coast, the increasing importance of the ports of Vancouver and Victoria has been accentuated by the rapid building of wharves and elevators, and a steady increase in Canada's trade with the Orient is indicated.

As a result of the harvest, conditions on the Prairies show a decided

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FIFTY-SEVENTH ANNUAL MEETING OF THE ROYAL BANK OF CANADA

(Continued from page 8)

improvement. The farmers have undoubtedly bettered their position, and wholesale and retail trades are profiting thereby.

In Ontario and Quebec, while general manufacturing is not yet showing great activity, there are many signs of improvement. Harvests have been bountiful with good values. The mineral output of the northern sections of both provinces is steadily increasing, and the new discoveries which are constantly being made make it impossible to realize the wealth that will ultimately be derived from this great mineral belt. The pulp and paper industry continues to expand.

In the Maritime Provinces, the hay crop was excellent, and although there was a marked reduction in the potato production, prices have been sufficiently high so that there has been a 50 per cent. increase in returns to the farmer, as compared with last year. The settlement of the Sydney strike should result in increased output of iron, coal and steel, and winter port business of increasing importance is expected at St. John and Halifax.

Turning to our foreign business — on account of an unprecented increase in world production, sugar prices have been abnormally low, with resultant depression in Cuba and the sugar-producing islands of the British West Indies. Stimulated by low prices, consumption has kept pace with production, and there was practically no increase in the world carry-over. The tobacco and cocoa industries showed a considerable revival during the year, with improved average prices to growers.

In South America, our business in Brazil, the Argentine Republic and the other countries where we have been represented for some years continues to expand. The percentage of losses through bad debts has been unusually small, and we look to the future with the greatest confidence. Our business is steadily increasing on conservative banking lines, with relatively satisfactory profits.

Our branches in the large centres of London, New York, Paris and Barcelona show substantial growth in business and profits. Large international connection automatically brings business in these great financial centres.

Through amalgamation, the number of banks in Canada has been slowly reduced until the present situation is analagous to the condition existing in Great Britain, where the great bulk of the banking assets of the country is in the hands of five large banks. Fears have been expressed that the concentration of banking power in the hands of a comparatively few institutions may lead to bad results, such as slackening of competition or neglect of local interests. The feeling in regard to competition seems to have had its inception in the fear of what may happen in the future, rather than as a result of developments to date, for no one can say that the competition between banks is less severe than it has been in the past. We believe that the contrary is the case, and that a large proportion of the savings effected through amalgamations have been passed on to the public in the form of increased service and relatively lower charges.

The merits of branch banking, as compared with a system of unit banks, are a subject of debate in the United States to-day, and opponents of branch banking have stressed the advantage to local interests of having their banking business in the hands of local institutions, which are claimed to be more intimately in touch with conditions at the points concerned. For Canada, however, the arguments in favor of branch banking are, in my opinion, immeasurably stronger than anything which can be said on the other side. In the development of new districts in this country the necessary funds have been supplied from older districts, and at much lower average rates than those current in the United States at the same relative stage of development. The banking history of the United States, moreover, contains a long list of banks which have failed, either through lack of proper perspective during boom periods or because in districts where everything depended on the success of one crop or one industry the local banks had all their eggs in one basket. I have no hesitation in saying that had Western Canada been served by unit banks, the situation in 1921-22 would have been nothing short of calamitous.

The ideal system is one which can combine a close understanding of local conditions with expert general supervision. For the proper conduct of a banking business, something more than local knowledge is required and in using the words "expert general supervision," I have in mind the guidance which can be supplied only by executive officers of wide business experience, whose position enables them to keep their finger on the pulse of the world's business. We are endeavoring to meet the situation by the appointment of outstanding business men in different sections of Canada as Directors, and by a large measure of decentralization and local autonomy to the executive officers in control of each district.

A great financial institution such as The Royal Bank of Canada, covering the whole country, must have intimate, persistent and active interest in every part of Canada. We have responsibilities not only to our shareholders, but, to a degree which I hope we fully realize, to the public of Canada; in fact, there is no conflict of interest, because it is only to the extent that we contribute to the sound economic development of the country that we shall deserve or receive the confidence of the public. Self-interest will prompt us to secure a diversity of risk through the encouragement of the industries indigenous to the various parts of our country, and to keep always before us the fact that we can achieve the greatest measure of success only if our actions and policies promote and foster the best interests of every part of Canada.

VOTE OF THANKS

A vote of thanks was passed to the President, Vice-president and Directors, to which Sir Herbert Holt replied. In replying to a vote of thanks to the General Manager and staff, Mr. C. E. Neill, the General Manager, said:—

I hope you will accept the grateful acknowledgment of all officers of the bank for this vote of thanks.

In speaking of our progress, I am afraid we sometimes forget to give sufficient credit to our Managers and the rank and file of the staff, who are so largely responsible for our good showing.

As the bank grows, our organization is one of the most serious problems with which we are confronted. The continued expansion of our business means that senior officers must accept additional work and responsibility. This applies particularly to our Assistant General Managers, and in this connection, I wish to draw your attention to the outstanding ability and loyalty of Mr. Wilson and the other Assistant General Managers at Montreal, Messrs. Dobson, Noble and MacKimmie. The measure of success which may have been achieved during the ten years that I have been General Manager may be attributed to the loyal and able support of the Assistant General Managers, Supervisors and other senior officers, the policy of international expansion inaugurated by my predecessor, Mr. Pease, and the unfailing support and assistance which I have at all times received from the President and Directors of the bank.

I look forward to the future with confidence, and I feel this confidence is justified because our outstanding aim is to build up a strong and progressive bank with a full appreciation of our responsibility to the community.

AUDITORS

Mr. A. B. Brodie, C.A., and Mr. James G. Ross, C.A., were appointed auditors for the ensuing year.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:—Sir Herbert S. Holt, President; E. L. Pease, Vice-President; D. K. Elliott, Hugh Paton, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, C. E. Neill, G. H. Duggan, C. C. Blackadar, John T. Ross, W. H. Malkin, W. H. McWilliams, Capt. Wm. Robinson, A. McTavish Campbell, Robert Adair, William A. Black, C. B. McNaught, G. MacGregor Mitchell, Hon. R. B. Bennett, K.C., W. R. Allan, R. T. Riley, Stephen Haas, John H. Price.

MT. ROYAL HOTEL ISSUE TURNS ON VOTING CONTROL

(Continued from page 1)

voting shares, instead of 75 per cent. as at present. Under this plan, according to the open letter referred to, the preferred shareholders would lose control of the company as well as half of their accrued dividends, a quarter of the annual return to which they are entitled, and exemption from normal income tax which they enjoy in respect of dividends.

Other Points at Issue

The other points at issue have to do with the relative merits of the two plans of making disbursements from earnings. The hotel company proposes to pay 6 per cent. on the general bonds as well as on the income bonds of which there will be $4,550 000 of the former and $3,300,000 of the latter. They state that so long as the serial notes, of which there are some $355,000, have to be paid from earnings, the returns accruing to the preferred shareholders will be limited. Mr. Mackenzie's rejoinder to this is that these notes can be taken care of out of the depreciation fund which, apparently, amounts to something like $120,000 per year, and that the company could just as well "pay out voluntarily and on their own motion, by way of dividends, an amount equal to what would be called for by the interest on the general mortgage bonds, and later any disbursements on the income bonds."

Without passing judgment upon the relative merits of either plan, it seems a fair assumption that those whose capital has been invested will be reimbursed according as the hotel earns profits, and therefore, that the issue at stake is where the voting control lies.

The United Hotels Company will benefit by the deal, inasmuch as they hold a big block of common stock, whose position would be considerably improved. But, on the other hand, a large proportion of the preferred shareholders are also holders of common stock and their holdings of common will benefit equally with the holdings of the United Hotels Company.

The Real Frank Munsey

Some Intimate Sidelights on the Career of a Great American Who Was Probably the Most Powerful Friend Canada and Great Britain Had in the United States

By Lieut.-Colonel John Bayne Maclean

The Canadian newspapers, like the American press generally, have been so generous, so cordial and so accurate in their stories of the career of the late Frank Munsey that it was not my intention to write anything at the present time concerning that great figure in the United States business, financial and journalistic world. However, since his will appeared there have been some criticisms of him that have been so false, so brutal, so far removed from the facts as to create amazement. It is particularly unfortunate that they should be made in Canada about a man who was one of the best, and probably the most powerful friend Canada and the British Empire had in the United States. But more important, in the interests of constructive, sound business, is the false impression thus given of the activities of men of big affairs and the basis on which their successes are built.

He was one of the world's first-prize men, but is it not extraordinary how we rave over prize pigs, prize pumpkins or prize fighters, but almost invariably abuse our prize men? Canada is suffering to-day from a lack of prize men in public life. We have many who would serve us and who would lift our national economic affairs out of their present mess and put the nation on the road to a lifetime of marvelous prosperity if we would seek them out and give them a chance. We of the press are mainly to blame. Whenever we see a really good man coming up, we club him. I think that the United States, Spain and Italy have the best governments in the world to-day because they have some of their ablest constructive public-spirited citizens in their service. Great outstanding men like Coolidge, Hughes, Mellon, Hoover, who have done so much for our neighbors, hold office because the press over there gives public men a greater measure of fair play than we do.

It would be a crime in the public interest to permit misrepresentation of Mr. Munsey to be used as an argument at this time against successful men and their value to the nation. I write of him, of his thoughts, policies and actions not from hearsay but from thirty-three years' close friendship and in recent years my most intimate friend.

"He Seen His Duty and He Done It"

Mr. Munsey was as near the ideal industrial and constructive fearless journalistic leader as it would be possible to find. Service to his fellow citizens was the chief objective of his activities. He arrived in New York equipped mainly with a Bible, a Puritanical conscience and a motto bequeathed to him by an old farmer-philosopher up in his home state, Maine. "He seen his duty and he done it." That Bible, that conscience and that motto were his guides throughout life. He never measured his success by the money he made but by the achievements on behalf of his fellow-citizens. The statement constantly attributed to him of "Forty dollars, forty years, forty failures, forty millions" was inaccurate and was never made by him. It was based on a chance remark which his friend, the brilliant Arthur Brisbane, coined to produce a spectacular newspaper heading some years ago when he received the figures of an appraisal company which had inventoried and estimated the forced selling price of his estate, which exceeded $40,000,000. Mr. Munsey said this was the result of 40 years' work. If he had concentrated on money making it could have been many times that sum.

If Mr. Munsey were alive and selling his entire interests to-day as going concerns, he would get over $75,000,000. He has been attacked for leaving that surplus to a museum instead of to charities. The trouble is that so many really serious men regard a great museum as a curiosity shop instead of being, as they are, as Mr. Munsey knew they were, great practical technical schools. It is to them technical experts from the industries go for information and inspiration. The United States is forging ahead of the nations of the world in the superior quality of so many of her productions, particularly those into which design and quality enter, and it is due in part to her museums. Here is a case in point. In one New York museum during 1925 they have a record of over 3,000 employees from textile industries scattered across the United States from Maine to California and Canada spending days making exact reproductions of a group of Peruvian antiques. In addition to this, thousands of others made brief visits and rough sketches. Our own museum expert, Professor Currelly, tells me that Mr. Munsey's gift to the Metropolitan should yield hundreds of millions in dividends to our industries and through them to the whole people of this continent, bringing more employment and higher wages. Recently one of my own business papers told of a large departmental store referring manufacturers of furniture to a museum as a source of supply of new ideas offering them a certain guarantee of quantities to be purchased. With this certainty in his market the manufacturer can proceed with renewed assurance in his effort to improve design.

But this is only one of many sources of future profits to the United States and Canada and the world that Mr. Munsey's successful experiments are yielding. Some of his newspaper experiments are referred to as failures. They might be so described if he had not finally drawn success out of them, and pioneered new fields that are worth hundreds of millions to the general as well as the publishing industries of Canada and the States. They were failures just as Dr. Banting's many experiments were failures, but they each led to a final great success in insulin.

Mr. Munsey was not really a money-maker. He was a student, an analyst, philosopher and journalist. Mr. Dewart, his successor, I believe will make more money out of the Munsey newspapers and magazines than Mr. Munsey ever did.

It is true there has been a revulsion in the Canadian press on the Munsey stories and a number of writers and papers are now busy explaining that they did not mean what they said, regretting their thoughtlessness in printing some sentences written by a Kansas editor, William Allen White, who now himself is sending out explanations. I asked a man who knew him—wherein had Mr. Munsey offended him. He said: "The kindest answer is that Mr. White's career has been a very great failure and disappointment to himself." This is sufficient explanation. Generally speaking, it may be said that the attacks were not on Munsey the man, but on Munsey the success, and in this respect are not unusual. These are not vicious but unfortunate in the public interest. The few vicious are easily explained. No writer is more dangerously vindictive that the one whose contributions are turned down because they are not up to the standard of excellence or are unsuited to the demands of a particular class of readers. I know, to my sorrow, a good deal of this myself. The publisher is practically the sales agent of the author's production or manufacture, and he can sell only what the readers will accept. Of course, like any good sales agent, the publisher and his editors spend a great deal of their time inspiring and training young writers. Matthew White, for forty years Mr. Munsey's chief fiction editor, told me some years ago of one of his finds, a man who afterwards became a famous author, who had to rewrite one of his early stories nineteen times under Mr. White's inspiration before it was considered suitable for publication.

Changed The Sun From an Enemy to Friend of Canada

It might be well to let the matter rest now, but apparently there are some forces at work to keep up the misinformation and misunderstanding. A similar letter is appearing in a number of papers at far distant points across Canada. For example, one, S. S. R., writes from Sherbrooke, P.Q., to the Gleaner away down in Fredericton, N.B., and the same letter from Toronto to the Toronto Telegram, showing how Munsey ruined the New York Sun which had been such a wonderful paper under Dana. Older Canadians will recall that Dana was the leader in the attacks on Canada and Britain, and the Sun office the meeting centre of all movements and plots against us. It was in that office money was raised to carry on disloyal and offensive propaganda in Canada. At one time the police seized in a Toronto printing office treasonable documents being printed at the expense of Mr. Dana. One of Dana's instructions to his staff was to "rip Britain and Canada up the back whenever they had an excuse." That was a tradition in the office when Mr. Munsey bought that paper. He reversed that policy. Many of his editorials, some of them written by himself, showing special friendship for Canada, have been copied in papers across Canada. Only once did trouble arise and then it originated from an old member of the Sun organization who returned from Ottawa with a story that caused Mr. Munsey to lose all friendship for things Canadian. I am not saying that this man intentionally conveyed false information, but it is significant that just before the war, he had been decorated personally by the Kaiser. It took me a long time to convince Mr. Munsey that something was wrong, but subsequent happenings as to the accuracy of his information and the soundness of his judgment raised doubts, to say the least, and the gentleman in question retired from the Sun.

Later I will tell the story of how Munsey took over as a public duty the bankrupt Sun, then living on the charity of a few Wall Street financiers, and made it what it is to-day, the greatest evening paper in the world—greatest in its news service, greatest in its editorial leadership and greatest in its financial revenues.

Cordiality for Canadians

If he had any favorites they were Canadians, and Southerners. He had been brought up in the cold, austere, puritanical New England atmosphere which came down from England. He believed them the greatest stock in the world (we have a selection of them in Canada—the U. E. Loyalists) but they are not the most comfortable people to live with. And he craved what he felt was the warmth and cordiality of the Scotch-Irish, which he found in Canadians and Southerners. I never knew a man about whom gathered so many brilliant outstanding friends, in Europe as well as on this side, but he was always shy and only a few of us knew the real man.

His chief executive for many years and the man to whom on his death bed he turned over his great interests is William T. Dewart, son of a distinguished Canadian who taught school at one time in Prince Edward County, I think, later had a store in Fenelon Falls, and was one of the fathers of the present national policy. Years before Sir John Macdonald took it up, Mr. Dewart's father began a campaign and wrote, circulated at his own expense, numerous pamphlets urging protection as the only sound policy for uniting and building up Canada. He is a nephew of the late Rev. Dr. Dewart, editor "Christian Guardian," cousin of the late Hartley Dewart, M.P.P., and has numerous relatives throughout Ontario. He showed marked ability throughout his whole association with Mr. Munsey, from the time be began as a junior in the office until he assumed the general management of his entire affairs.

Mr. Munsey's other trustee is R. H. Titherington, an Englishman, a distinguished graduate of Oxford, who has been associated with Mr. Munsey continuously for forty years. At the head of one of his important interests outside of his publishing is another Mr. Dewart, and a Canadian.

When he bought the Daily News, New York, he placed a Canadian from Whitby, F. James Gibson, in charge as business manager. Mr. Gibson had been an advertiser in and contributor to the first publication I started, Canadian Grocer, and later attained a prominent position in New York advertising circles and he pulled Gordon Bennett's evening paper, the Telegram, out of a hole.

Mr. Munsey and John Ross Robertson

Of several Canadians whom I introduced to Mr. Munsey at different times four interested and impressed him — Sir Donald Mann, Hon. Mr. Fielding, Rev. Dr. Fallon, the R. C. bishop of London, and the late John Ross Robertson of the Evening Telegram, Toronto. These men he took to his heart at once but not several others.

Mr. Munsey and Mr. Robertson met many times afterwards and became firm friends. Their meeting was typical of the way in which Mr. Munsey was misunderstood. It was on the station platform, in Savannah, I think. It was always John Ross's habit when he arrived at a station or seaport to rush out and get copies of every paper available. I recall he was coming back with his usual armful to board the train when we met. He said "Hello, J. B., where are you going?" I explained Mr. Munsey and I were going for a couple of weeks' rest to St. Augustine. I said "I would like you to meet him." He said, "What, the magazine fellow?" I said, "Yes." He uttered an expression of disapproval and said he would meet us later. I said "No, come now," and he came under pressure very unwillingly into our car. Instead of a blatant cheap fiction purveyor which Mr. R. expected, he found a tall, slender, shy, very serious journalist. He sat down and they gossiped most interestingly for hours. I remember so well Mr. Robertson expressing his delight in the meeting and using the words "great ability and strong character." Their friendship and admiration for each other grew, as we were fortunate in meeting in other years in the South and made two ocean voyages together. On one of these we met and were joined by Mr. Van Anda, managing editor of the New York Times, and his wife, of U. E. Loyalist ancestry. The Loyalists and early Ontario history was the one topic that interested Mr. Robertson more than a newspaper, but one in which Mr. Munsey, though of aristocratic ancestry, could never be interested. Talk of ancestry was regarded as snobbishness by the Puritans and traditions held him in their thrall.

Offers Editorship Paris Herald to Hon. Mr. Lemieux

When Mr. Munsey bought the New York Herald the purchase included the Evening Telegram and Gordon Bennett's own favorite, the New York Herald, Paris. He did not want any of the trio. Always the soul of honor, being above and abhoring trickery, he had been unwittingly manoeuvred into a position where his newsprint contract was cancelled on a technicality and a much higher price was demanded. He had to pay that price or get no paper. The Herald had a very good contract with a very reputable mill and he bought the Herald for its paper contract. The purchase was made with all the suddenness with which, having made up his mind, he frequently did things. The papers were losing money. He called on Mr. Bennett's chief executor, Charles Sabin, I think it was. His first question was: "Are the Bennett newspaper properties for sale?" "Yes," was the answer.

"I understand they have a firm contract for newsprint extending over years at a price?" Mr. Sabin replied that was the case.

Then Mr. Munsey said: "That contract is worth $4,000,000 to me. I am not accustomed to haggling. I will pay you that."

Mr. Sabin expressed the belief that the other executors would agree to that sum.

"Very well," said Mr. Munsey, "make out your papers and I will sign them and hand you my cheque," and he left the room. The whole matter was settled in less than ten minutes.

I was in New York a few days after the deal was completed and in telling me about it he said he would amalgamate the Herald and the Sun but he did not know what to do with the Telegram or the Paris Herald. I replied that I thought the Paris Herald was the most likely money-maker of the trio. He could not see it and said he would make me a present of that paper. Next morning I went up to breakfast with him, as I invariably did when in New York, and he handed me some correspondence, including a number of cables bearing on the Herald and again urged me, if I thought well of it, to accept the paper and go over to Paris, where I had many friends and which had then become the chief centre for world news on economic and financial matters. He thought I could do it by spending a few months there every summer. I explained that that I could not do, but we discussed the situation for some time. The more we talked about it the more we realized the possibilities and it became a question of finding a suitable man to take charge. The thought came to me that the Paris Herald could be made to serve the purpose of Canadians as well as Americans in France, that as a matter of fact the Canadians were the only real friends France had and that an ideal man for the position would be Hon. Rudolph Lemieux. I knew of Mr. Lemieux's journalistic experience, of his ability, his great personal popularity in France and I knew that he desired to retire from Canadian public life at that time. He did not know Mr. Lemieux, but the plan of a Canadian for the position appealed to Mr. Munsey and he agreed to my making a specially generous proposition to Mr. Lemieux. This was to include in addition to a salary of $25,000 a year, a generous allowance for expenses. I thought he was going to accept. He had, I am sure, made up his mind to do so when some of his colleagues prayed him not to desert the Liberal party at a critical time when they needed him most. He had not been friendly to the King leadership, but his loyalty to party won over his personal interests. Mr. Munsey was much disappointed. Under Lawrence Hills and the brilliant May Birkhead, the most poular American woman in Europe, the Paris edition became a great success, and continues to feature more than any other paper—Canada.

Refused to Sell the Press to Germans

In the autumn of 1914 we joined Mr. Munsey at the Ritz, in London, after he had been marooned in Bohemia for five weeks. He showed me in confidence cables making offers for the purchase of his daily paper, The Press, New York—a daily he had bought to help Roosevelt—and I think, although I have nothing definite to go on, that he was quite ready to dispose of it, but he refused to sell because it was being bought by German money and he suspected The Press would be used as a propaganda medium. Mr. Munsey was not then pro-Ally. He admired the Germans for their soundness and accomplishments. America was neutral, therefore he was neutral, and his sense of duty would not allow him to permit anything to be done that was even suggestive of a departure from strict neutrality. The British, however, uncovered the story among the papers captured and Sir Cecil Spring-Rice, our Ambassador at Washington, told me of it in 1916 when he was very anxious that I should bring Mr. Munsey to dinner at the Embassy. He wanted to thank him for this and other so-called favors, but again Mr. Munsey would not be waived from his strict sense of neutrality. He would not go to the Embassy. There was one error in the story Sir Cecil had: The documents showed an offer of a million for The Press, but the real offer, as I recall it, was $2,100,000—more than twice what the paper was worth. The German agents eventually acquired control of the Mail.

One more incident which showed his attitude towards the British. Mr. Munsey erected as an investment and as the headquarters of the Munsey Trust Company, a fine office building—the finest in Washington. The British War Mission, under Sir Charles Gordon, of Montreal, had taken offices there. They wanted more space and they wanted it without paying any more money. Sir Charles was a very clever buyer. He could get neither from the manager of the Trust Company and he asked me if I could use my influence with Mr. Munsey. It was a very great favor to ask. Space of all kinds, and especially the best space in Washington, was going at fancy prices. Moreover, they could make long term leases with permanent tenants. The British War Mission might leave in a few months. Next time I saw Mr. Munsey he told me that he had given Sir Charles space at somewhere between $15,000 and $25,000 a year less than he could have got from permanent tenants. I said: "Why did you do that? That was too much of a sacrifice to make." "Because," he answered, "it was my duty to deal fairly and generously with our ally, Britain."

Once more the old Maine philosopher, "he seen his duty and he done it."

The above are just incidents, dictated as they come to me, in an effort to do justice to his memory, but mainly to interpret to the public a type of public-spirited citizen of whom we have many, and whom we misunderstand and abuse to their sorrow and our great disadvantage, for having made all the money they need for themselves they would gladly devote their great organizing and constructive abilities to their native country.

In a later article I will deal with his personality and some of his achievements that afford inspiring lessons to young business men, as the Brantford Expositor has so well expressed it.

THE FINANCIAL POST

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TORONTO, JANUARY 22, 1926

TAXATION—THE BIG ISSUE

CONTINUING the series of addresses on sectional and national problems by representatives of the various physiographic divisions of Canada before the Canadian Club of Toronto, Travers Sweatman, K.C., of Winnipeg, made a distinct impression when he advanced the same arguments for tax reductions which have been heard from business leaders from the Eastern provinces. Mr. Sweatman made it plain that, East or West, Canada wants capital for new enterprises, for the development of her natural resources and that such capital cannot be secured when any losses sustained are borne entirely by the investor while the government takes the lion's share of such profits as may accrue. The situation was made even more serious for Canada, he made clear, because of the comparatively small taxes on the profits of smaller enterprises in the United States. Capital simply sought the most attractive propositions offered.

Likewise business enterprises chose between the provinces of Canada on the basis of attractions offered and one of the most important of these has to do with taxes. At the present time the Toronto Telegram is staging a typical fight about the inequalities of income tax as imposed by the city, showing that while many people are paying the full assessment others are escaping and are paying little or nothing. There will be general agreement with the Telegram's contention. All returns indicate that the income taxes particularly hit those with earnings from a definite source which can be easily checked up. But a much more important point from the standpoint of prosperity in Toronto is that in other cities in Canada no such taxes are imposed. The result is that industries in Montreal, for instance, have a distinct advantage in regard to taxes—a definite factor in the costs of the goods produced—as compared with Toronto.

These points merely emphasize that there is no more important problem in Canada to-day than taxation.

WORKING FOR THE ARMORERS

THE death this week of J G. Greey, machinery manufacturer, recalls an incident during the tariff investigation conducted by Mr. Fielding, soon after he assumed the Ministry of Finance at Ottawa, in 1896. Mr. Greey was giving evidence and by his sincerity and straightforwardness had created a very favorable impression on Mr. Fielding and the late Mr. Patterson, then Minister of Customs. He had made a good case for the protection and safeguarding of Canadian milling machinery interests. Mr. Fielding interrupted him saying:

"Mr. Greey, if the government adopts the policy you suggest, it would kill British trade with Canada."

At once Mr. Greey came back with: "Then, I don't want it. I want no policy that would injure the manufacturers of the Mother Country. I would prefer to sacrifice my own interests in the interest of Empire trade."

This, The Financial Post believes, is the spirit that animates the great majority of leading manufacturers in Canada to-day. No doubt there are some who would sacrifice the future for a few dollars in sight to-day. But Canadian manufacturers generally are a very generous, public-spirited lot, though often misrepresented and misquoted. At the same time, we doubt if leading British manufacturers are so cordial and broadminded in their attitude towards the development of the Empire. It will be a long time before Canadian manufacturers will forget how the British battleship, gun and ammunition manufacturers, did all they could to prevent Canadian manufacturers getting any war orders.

It is only a small group of men for whom Sam Harris, unwittingly perhaps, is using the Canadian Navy League to campaign for a contribution of $33,000,000 from Canadian taxpayers to build battleships. It is the old story "the way to put over propaganda is in the guise of charity or religion," as Ex-U. S. Ambassador to Turkey, Morganthau, told the Canadian Club, when he wanted Canada to join in the war on Turkey waged by the Greeks and financed by one of the British battleship builders.

THE CASE FOR INDUSTRY

IN CONNECTION with the year's operations of the General Motors Company of Canada, the point is made that the amount received from customers, in cash or used cars, was $34,044,048, while the amount of actual money which the company left in the country reached $35,733,390. This is explained in the fact that 40 per cent. of the manufacturing done in Canada was for the export trade which means that the company carried on a manufacturing business here, purchasing labor and materials in Canada, for articles sold in the export market to an extent offsetting the materials imported to make the cars sold in the domestic market.

These are interesting figures. They effectively dispose of the loosely but widely spoken statements that General Motors and similar concerns merely use their plants in Canada for the assemblying of parts brought in from the United States. They prove too in a very effective way the benefits to the country of such successful, well-managed industries. If more of our manufacturers would publish such instructive facts about what they are doing for the upbuilding of the country there would undoubtedly be less animosity towards big business and the tariff which makes such business possible.

ABOUT WATERED STOCK

A GREAT deal of reckless talk is heard at times about watered stock and it is accepted by a great many people that, merely because such stock has been issued, the public is assessed by the company, in the sale of its products, prices sufficient to cover dividends on this stock. Nothing could be further from the truth. Dividends must be paid out of profits. There is no system of business by which profits can be fixed on a basis to pay dividends on watered stock. Competition fixes prices and efficiency controls the margin of net profits.

The reorganization of Western Grocers, Ltd., offers an example of what happens to a very large portion of the watered stock issued by companies in their promotion stage. To all intents and purposes $3,000,000 of common shares are to be wiped out, being replaced by one-sixth the number of shares of no par value. What is more, the preferred capital is to be cut in two and as compensation for the shares sacrificed, the holders are offered the common shares of no par value.

In this reorganization plan the $3,000,000 of common stock is given little consideration. It is regarded as water and it is treated as such. Nor is there any serious storm from the shareholders. The old shares represented goodwill in the company and no dividends were ever paid on it—in fact the dividends on the preferred shares are considerably in arrears. The present plan does not indicate that the company's outlook is less favorable but rather that, with an improvement in the situation, it is proposed to put the capitalization on a basis where this improvement will be shown in actual results.

Now, despite what the public may think, this common stock of Western Grocers was never any factor in the company's prices to the consumer. Those prices were decided, as always, by competition. The fact that there were no dividends for the common shareholders, and latterly none for the preferred shareholders, had no bearing on the policies of the competing concerns.

And just another point about watered stock. It is usually regarded as having no real value and treated as such, but it often represents an indirect but very real cash investment to the holder. He may get it as a bonus but because of that bonus he pays a considerably higher price for the preferred stock or bonds bought than would otherwise be the case.

EDITORIAL NOTES

IF THE government completes the Hudson Ray Railway, Le Nouvelliste in expressing the French-Canadian view, says that it will merely do so to redeem an election promise—while so many useful branches are needed elsewhere.

* * *

WITH the prospect of Australian butter being sold on the Toronto market in the near future, the possibilities of a protective tariff in the interests of Canadian farmers promise to become more attractive. The Toronto Globe admits that "it is believed that the butter market would have been substantially higher had it not been for the prospect of the importations from the Antipodes."

Taxation of Capital Hits the West as Well as East

Travers Sweatman Expresses in Toronto Western Canada's Protest to Income Taxes Which Are Discouraging Enterprise and Driving Capital From Country

By TRAVERS SWEATMAN, K.C.,

In address to the Canadian Club of Toronto.

The first thing to be done to improve the national situation is to reduce and simplify our cost of government, and this means an actual reduction in our taxation. When you consider that all taxation in the final analysis must come out of production and productive industry, you will realize what a burden our total taxation is on the progress and prosperity of this country. Without going into details, according to the figures compiled by the Citizens Research Institute of Canada, the total Dominion, Provincial and Municipal taxation of this country is over $600,000,000. When you consider that the total net production of all the Canadian industries, including agriculture, forest, mining, etc., was a little over $3,000,000,000, you will see that our total tax bill amounts to about 20 per cent. of our net production.

We are in the habit from time to time of telling each other that we have "too much government." But there does not seem to be anyone willing to reduce it. We have one national government, nine provincial governments, 58 cities and urban municipalities with populations of 10,000 and over; 195 urban municipalities with populations of between two and ten thousand, and 605 urban municipalities with populations from 400 to 2,000, and an unknown number of at least 4,500 rural municipalities, districts and school municipalities with independent taxing powers. In Manitoba we have 55 seats in the legislature and six or seven cabinet ministers to handle a budget a little larger than the city of Winnipeg. We have 176 municipalities including Winnipeg for a population of a little over 600,000, and I have not before me the number of school districts, all of whom have taxing powers. I am not sufficiently familiar with the other provinces in the Dominion to give you statistics, but I have no doubt their condition is just about the same as that existing in Manitoba.

Must Follow U. S. Lead

Having regard to what has taken place in the United States in respect to tax reduction, having regard to what General Dawes, now vice-president of the United States, did for the United States when he was budget director, I am going to give you a few figures taken from the returns to the House in connection with the Dominion Civil Service. In 1913-14, the year before the war, there were 8,709 employees with a total aggregate salary of a little over $8,000,000. In 1918-19, the year of the Armistice, there were 12,742 employees, with a total aggregate salary of a little over $13,000,000. I have not the figures available for 1923 for the inside services, but a return tabled in the House for all of the services, both inside and outside, gives the total number of employees in 1923 as 39,204, with a total aggregate salary of over $50,000,000. Further comment is surely unnecessary.

This picture would not be complete if I did not refer to the "Pork Barrel." If you will look over the estimates for the last twenty years, a casual scrutiny would enable you to pick out the years of the elections. The "Pork Barrel," as you know, is a system by which the government in power debauches constituencies by dispensing rich favors to those groups who are friendly to them. On the other hand, it starves and absolutely neglects those constituencies who are hostile. It is not confined to any party. Both parties have been guilty of this corrupt practice and have again and again unblushingly bribed the electorate by promises of canals, docks, waterworks, public buildings and what not. If someone comes to you and offers you five dollars for your vote, that is corruption, that is bribery, and if it is proved, he will be sent to the penitentiary, but a government can dangle in front of a constituency a large expenditure for a public building or a breakwater or government dock, and effectively debauch that constituency without coming within the scope of the criminal code. It has always been a serious matter, but now that our debt has grown to such proportions it is necessary to arouse a militant public opinion so that a stop will be put to this waste.

Pre-election Bribes

In Canada the estimates are prepared under the direction of the minister and the pressure which is brought to bear before an election by the various members of parliament to have expenditures made in their constituencies is well-nigh irresistible. This should be changed. The estimates should not be rushed down to the house at the last minute. A committee on estimates chosen from both parties in the house, should deal with them on a non-partisan basis. If this were done, and if the treasury department were strengthened, millions upon millions of dollars at present wasted and added to the public debt to be borne by the taxpayers of Canada, would be saved. The best way of preventing the government departments from spending money is not to give them the money to spend. We might well copy the budget system which has proved so successful in the United States, and appoint a budget director whose first duty would be to carve our present civil service system down to adequate proportions, having regard to the wants and requirements of nine million people.

If an aggressive campaign of economy of this kind were adopted, it would be possible to reduce taxation. The Dominion Income Tax should be reduced as low as possible so that it will compare favorably with the rates in force in the United States. We would have a right to anticipate additional revenue as a result of aggressive policies and increased business, and any deficiencies should be made up by indirect taxation.

Surtaxes Hit Public

Before passing on, I would like to mention the subject of surtaxes and the tax on the larger incomes. Last year in the United States a reduction was made from 65 per cent. to 40 per cent. on the largest incomes. Last year, in giving reasons for a reduction in the surtaxes, Secretary Mellon, who, as you know, is one of the great financiers of the United States, recommended a reduction in the surtax to 25 per cent., and briefly his reasons were that it was found that business in the United States up to that time had been suffering from lack of capital. The high surtaxes had driven capital from business into tax exempt bonds. It was found that good tax exempt bonds paid a return of from 4.75 per cent. to 5.30 per cent., say an average of 5 per cent. It was proved by Secretary Mellon that safe, sound, taxable securities would have to pay more than 14 per cent. before private industry under that scale of taxation could compete with tax exempt bonds. Secretary Mellon demonstrated that high surtaxes were not producing the revenue and that it was another illustration of excessive tolls killing the traffic. Undoubtedly Canada is in a similar position and a large amount of capital which would otherwise be used in turning the wheels of commerce is now lying idle, safely ensconced in tax exempt bonds. What a stimulant to the development of this country and our great natural resources would result from a slashing cut in the surtax rates of our income tax! Furthermore, I believe this could be accomplished with an increase, instead of a decrease, in revenue.

Capital Evades Taxes

Now perhaps some of you are saying to yourselves, "What has this to do with me?" Unfortunately, I have not the figures showing the effect of surtaxes under our Dominion government tax, but I have no doubt that what has taken place in the United States has also taken place in Canada. Why have the great financial men of Canada invested large portions of their fortunes in tax exempt bonds? Have we reached a stage where our great industrial leaders have lost their courage? Do they feel that they are slipping? Do they feel that they cannot manage their money any longer? Surely that is not the reason. It is the logical result of high surtaxes. We in Manitoba, for example, are looking to the development of Northern Manitoba as a mining area. Let us suppose that one of you gentlemen here has a good mining prospect in Northern Manitoba, and after spending all you can afford on a general survey, sinking perhaps one or two shafts, with a view to obtaining sufficient data to show that you have a good mining prospect, you ask one of our rich men to put some money into it. What is his reply going to be? He will tell you candidly that he cannot afford to take the risk because the Dominion government takes 65 per cent. in surtaxes if there is a return and the mine is successful, and if the venture proves unfortunate, he alone has to stand the loss. That is what these surtaxes and income taxes do to industry.

Taxes and Taxes

Then again, in all our provinces, we have succession duties and death and inheritance taxes, which run into exorbitant figures. These produce very little revenue because it is a case of the exorbitant rate killing the traffic. But there they stand—brakes on the wheels of progress, barriers preventing the development of this country of ours.

This tax jungle, as it has been very aptly called with its duplication and overlapping, should be straightened out. We have three taxing bodies in Canada — Dominion, provincial and municipal. Their spheres all more or less overlap and duplicate one another, and one of the most essential things, in my opinion, to be done towards putting this country on the road to prosperity, is to define, and, if possible, allot to them, their respective spheres, so as to find a solution for this tax jungle.

All of these restrictions, high surtaxes, succession duties, death and inheritance taxes, are brakes on the wheels of progress. Most of these statutes have been passed by our provincial legislatures in their great wisdom when they sought to soak the rich. We have found by bitter experience that soaking the rich always means sweating the poor. The rich are always able to avoid oppressive taxation by withdrawing their funds. That is what is taking place in Canada. The rich have large amounts of their money invested in government securities, non-taxable bonds. No doubt the Minister of Finance will refund these non-taxable issues from time to time as it may become possible, but it is essential, if we are going to progress as we should, that restrictions on capital be withdrawn and surtaxes and succession duties, death and inheritance taxes revised to a minimum, so that we will coax this money out of tax exempt bonds into serving the useful functions of trade and commerce.

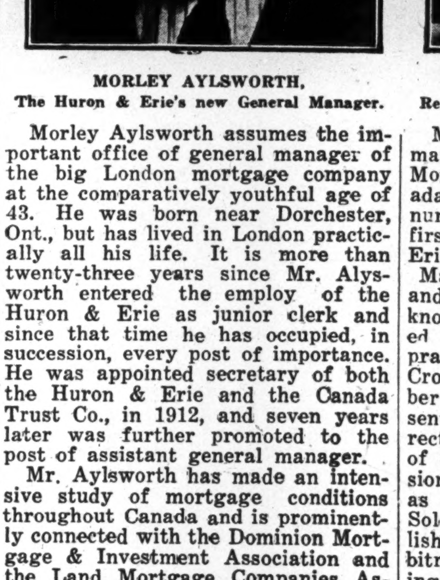
Public Opinion

But sweeping economy and changes of this kind can be brought about only by militant public opinion. This means persistent publicity and education—not only for a reduction in the federal but also in all our governments, provincial and municipal. It is hard to bring home to everyone the plain fact that taxes are paid indirectly by everyone. The rent that you pay for your house is affected and raised, not only by municipal taxes, but by the Dominion and Provincial taxes as well. Also the price of beefsteak is unfavorably influenced from the buyer's point of view by the gasoline tax, the business tax, the real estate tax, the income tax, the corporation tax and all the other taxes that the butcher must pay either directly or indirectly. They are all added to his overhead and passed over to you—the ultimate consumer and the ultimate goat—wrapped up in a three pound sirloin steak. A little extra in the shape of taxes is the only thing that anyone can afford to throw in nowadays.

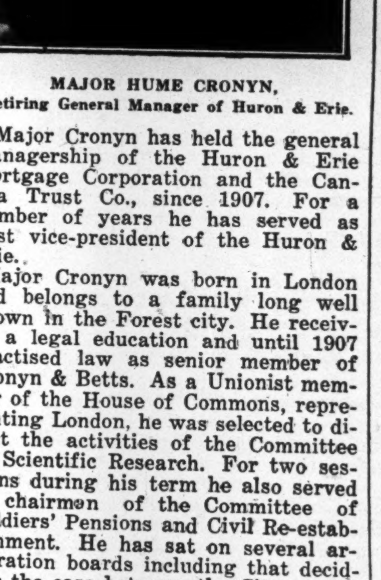
It is astonishing to find how hard it is to impress upon men and women whose names are never written on a tax duplicate return that they pay these taxes indirectly. Men and women, even in reduced circumstances, cannot avoid taxes. They figure into everything they buy—food, clothing, rent, medicine, all the other daily necessities they cannot avoid. The storekeeper, the landlord, the manufacturer, the farmer, all pay taxes, and so it comes about that everybody has helped to pay the taxes of everybody else in the cost of living.

This directs attention to a curious phase of human nature. A direct tax reacts unpleasantly on a man, but he rarely ever thinks of the indirect tax he pays. Thus it is that men who pay no direct taxes frequently vote for or advocate huge public expenditures, unconscious that inevitably a share of the burden will fall on them. All tobacco users, for instance, pay a government tax. Thus all direct taxes are passed on, but in most instances they are not advertised to the ultimate payer, who is unconscious of them. If the voters of the country were once educated to the fact that every public extravagance is sure to come out of their own pocket, our spendthrift politicians would drop out of public life in short order.

Huron & Erie Changes Managers



MORLEY AYLSWORTH,
The Huron & Erie's new General Manager.



MAJOR HUME CRONYN,
Retiring General Manager of Huron & Erie.

Morley Aylsworth assumes the important office of general manager of the big London mortgage company at the comparatively youthful age of 43. He was born near Dorchester, Ont., but has lived in London practically all his life. It is more than twenty-three years since Mr. Alysworth entered the employ of the Huron & Erie as junior clerk and since that time he has occupied, in succession, every post of importance. He was appointed secretary of both the Huron & Erie and the Canada Trust Co., in 1912, and seven years later was further promoted to the post of assistant general manager.

Mr. Aylsworth has made an intensive study of mortgage conditions throughout Canada and is prominently connected with the Dominion Mortgage & Investment Association and the Land Mortgage Companies Association of Ontario, being on the government board of both bodies.

Major Cronyn has held the general managership of the Huron & Erie Mortgage Corporation and the Canada Trust Co., since 1907. For a number of years he has served as first vice-president of the Huron & Erie.

Major Cronyn was born in London and belongs to a family long well known in the Forest city. He received a legal education and until 1907 practised law as senior member of Cronyn & Betts. As a Unionist member of the House of Commons, representing London, he was selected to direct the activities of the Committee of Scientific Research. For two sessions during his term he also served as chairman of the Committee of Soldiers' Pensions and Civil Re-establishment. He has sat on several arbitration boards including that deciding the case between the City of Toronto and the Toronto Street Railway when he was chairman.

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Current Opinion

THE TAXPAYERS PAY

Victoria Colonist: Anything which increases the power of the provincial government to enter into competition with private enterprise is bound eventually to operate to the disadvantage of the taxpayers. The Minister of Lands, has now secured power from the Legislature in connection with the administration and disposition of the University endowment lands at Point Grey. In effect what is provided is power to loan money to lessees and purchase of land up to 60 per cent. of the aggregate of the purchase price and the cost of the dwelling erected thereon. This, just as the Land Settlement scheme has proved, is another way to insure the ultimate loss of public funds.

It is purely a gratuitous measure and in the long run it will mean that the people are granting an actual endowment in cash, not only to the University but to those as well who settle on university lands. The implication of such a policy of loans inevitably is that the taxpayers must lose.

WHY THE TRANS-ATLANTIC "SUBSTITUTES"?

Edmonton Bulletin: Officials at Ottawa are said to be elated because Ontario is importing less anthracite from the United States than in former years. The stoves and furnaces of that province, it seems, have been stoked with "substitutes" to an abnormal degree, with a consequent shrinkage in the amount of Ontario money that is flowing across the border to pay for Pennsylvania coal.

When the despatch-maker gets down to details, however, there is scarcely warrant for unconfined elation. The "substitutes" in question appear to be Welsh coal and Scotch coke, with a proportion of the latter combustible of home manufacture. Sentimentally it is preferable that Ontario dollars go to Wales and Scotland rather than into the coffers of the Pennsylvania anthracite operators. But practically the dollars go out of the country in the one case as in the other; and when they cross the Atlantic they are scarcely more likely to come back than when they cross the southern boundary line.

Why go to Europe for "substitutes" for Pennsylvania anthracite with which to feed the heating plants and power plants of Ontario? Alberta and Nova Scotia contain more coal than Pennsylvania had before they began to dig the foundations from under the Quaker state. It is admirably adapted alike for heating homes and for generating power. How comes it that Ontario must import coal from Wales and coke from Scotland to fill the bins left empty when the Pennsylvania mines are closed down by a strike?

"Have you seen The Financial Post Survey 1926?"

ONE of Canada's biggest mercantile leaders asked this question of the general manager of the leading industrial corporation in its field. They met at the annual meeting of one of the banks last week.

You hear The Survey talked about wherever business leaders congregate. And in every case the feeling towards the work is one of commendation.

Have you got your copy yet? $3.00 brings it. ($1.50 to subscribers to The Financial Post.)

Fitting the Investor's Needs

No one type of investment can possibly suit all cases. Investors have needs which are widely varied.

Some who have not made specialized study of investments desire securities which will need a minimum of attention and which will afford at the same time, the maximum of safety—investments which will never occasion a moment's worry, and which will retain their dependability.

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Investment Securities

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Dryden Paper

F. O. H., Vancouver.—Do you think it advisable for one to buy additional shares of the Dryden Co. stock? I have a few shares of this stock now, and wondered if it would be a good gamble to buy more. It is difficult for me to obtain reliable information on the subject here, and if you will give me your opinion.

Dryden Paper Company has been doing considerably better of recent months and we understand has made on operating profit each month also. The bond holders have not yet received any interest. As far as we can learn, it will be some time before the receiver, who is operating the company, will be in a position to meet even a portion of the bond interest which is in arrears.

The strength of the company lies in its fine stand of timber. The market for sulphate pulp has improved and indications point to the fact that the low prices which prevailed a year ago are a thing of the past. Although prices are better, they are still low as compared with the cost of producing sulphate pulp and kraft paper.

Gull Lake Possibilities

J. E., Ontario: I have noticed reports that recent developments in Kirkland Lake indicate good possibilities for Gull Lake. Have you heard any opinion on the matter?

It is now well known that Tough-Oakes mangement has opened up ore east of the alleged fault—it's really a dyke—that runs north and south through Tough-Oakes-Burnside property. The accepted theory heretofore has been that this dyke of lamprophyre cut off all values to the east. At a depth around 1,025 feet in Burnside section, Manager A. Stuart got information which led him to believe that the dyke turned in a half circle and went off to the north-east. The sinking of a winze opened up a shoot of ore that proved his theory was right about the dyke, and suggested the possibility that the dyke pushed the main break of the camp down and that the ore body picked up was the eastern extension as it bore a striking resemblance to the main ore zone going off to the east. Joe. Houston, mining engineer, who is familiar with the camp, believes that is what happened. He is positive that Kirkland's richest ore is yet to be cut at depth. Thos. Flynn, who has been looking after Queen Lebel, to the east of Gull Lake, has long contended that the break cut across the north-east part of their property striking—as was found—in an east by south direction. Frank Loring, a well known engineer, has also contended that the break passed through the lake.

Another feature—it may interest you—is that Prof. McLean, in his mapping of Continental, to the north of Gull Lake, indicates the presence of a north and south break through the Continental and running into the lake. We would suggest that you watch for the annual meeting of Tough-Oakes-Burnside — the date, I am informed, is still indefinite. We should judge from your letter that Manager Stuart's report to the shareholders will be of great interest to you.

Four Good Issues

Banker, Ontario: Will you give your opinion on the speculative possibilties of Imperial Oil. International Pete, Vipond, Mining Corp.

All four propositions have possibilities. Imperial Oil controls International Petroleum, and besides is carrying on an aggressive hunt from oil in Alberta and already has one rich producing well.

International Petroleum is a producing subsidiary of Imperial Oil, and of course any increase in its earnings or market price is generally reflected in the earnings and market of Imperial Oil.

Vipond Consolidated is a producing gold mine which has met with such success in the development of its property that it is now doubling its mill capacity. This should bring earnings up around $100,000 monthly. Dividends, then, would not be far off.

Mining Corporation is doing well on its old Cobalt properties and extra well in South Lorrain. Besides it stands to profit in a large way by the deal for the Flin Flon property in Northern Manitoba. It looks good for a long pull and in the meantime should be able to pay dividends regularly from now on.

Strong Mining List

W. H. H.—I hold 1100 Hollinger, 200 McIntyre, 1,050 Mining Corporation, 300 W. Hargreaves, 2,000 Keeley, 5,000 Goldale, cost 20; 5,000 Vipond, cost $1.20. Needless to say I follow your mining comment with interest. I would like your views on this list and also on C. W. Dome. A banker 'phoned me that interests associated with Wright-Hargreaves are now in control.

You have a strong list of mining stocks, well diversified, headed by the leading dividend payers and followed by some excellent speculative stocks. Indications are that your five dividend payers will all sell at higher levels. Hollinger, McIntyre and Wright-Hargreaves are looked to mount steadily. Mining Corporation should be good for a long pull, having in mind that it will benefit greatly when the Flin Flon property in Northern Manitoba gets on a profit making basis. Keeley is giving a good return and has prospects of developing an entirely new mine in its Western section. You have nearly doubled your money in Goldale, but even at present prices this stock has big possibilities. Vipond is a little way from the dividend stage but is a remarkably good operation. We have heard the reports you mention about C. W. Dome. It looks like a speculation that might come through, and if it does, it may work out the same as Teck-Hughes. With your solid position, you would be justified in taking a small block if you were inclined to take such a gamble. Sorry you do not give your address so that we could have answered by personal letter, a practice we follow with all our inquiries, where possible.

Thompson-Krist

C. J. E., Toronto.—My father has quite a block of Thompson-Krist shares. We can get two cents a share. Would you advise us to sell or hold on to them?

You are in a rather involved situation in holding Thompson-Krist shares. The only asset of this company to-day is a third interest in the North Crown Mine. The assets of North Crown Mines are 600,000 shares of Porcupine Crown Mine. Porcupine Crown assets are 500,000 shares of stock in British Porcupine Mines. This latter company was formed by the New Rhodesian Company of London. Porcupine Crown has 2,688,255 shares outstanding. Divide or apportion 500,000 shares of British Porcupine Mines among such holders and it will work out that Thompson-Krist assets are about 40,000 shares of British Porcupine Mines. There are 1,389,744 shares of Thompson-Krist issued. Working this out, it would average the present holders about one share of British Porcupine Mines for each 35 or Thompson-Krist held.

The property is idle. The Porcupine Crown section has been partially worked out at least. The Thompson-Krist is believed to have some merit. However, it hardly looks to me as if British Porcupine shares are worth seventy cents. If, as you say, you can get two cents a share for Thompson-Krist now, that would be the value on British Porcupine.

Eastern Trust

A. C., Nova Scotia.—Will you kindly give me any information you can relating to the Eastern Trust Company, Halifax. Do you consider the stock a good investment, for one who has limited means?

As we understand it, the stock of the Eastern Trust Co. is all closely held, and we have no record of any transactions in this stock during the past year. We understand that occasionally a private sale is made in these securities.

We would be at a loss to either recommend or not recommend your purchase of this stock until we learned at what price it was offered to you. There are many stocks, such as the Eastern Trust, which represents remarkably good equities, but in purchasing unlisted stock it is always wise to inquire where you may find the market for these securities in the future should you wish to dispose of them.

Sea Sled Company

G. B., Nova Scotia.—Can you give me any information in regard to the Sea Sled Co.?

Last autumn owing to lack of funds, the Sea Sled Company sold out to the Sea Sled Corporation. The purchase price was stock in the new corporation. From this you will see that the Sea Sled Company is now only a holding company.

We understand that the directors in the old Sea Sled Company have waived their rights to the stock in the new organization and that the new company at present has $1,000,000 of orders on its books, which is far in excess of any other period in the company's history.

The new interests have put in new money, and have enlarged the plant which has been working at capacity for some time; a considerable sum has been spent in advertising.

The company sold over sixty 28 foot sleds in Florida this winter at an average price of $8,100. An order has been received from the Cadillac Motor Car Company for two hundred 20 foot boats. We hear that at the present time the company has not been able to fill all its orders.

From this you will see that the outlook for the shareholders appears to have improved, but as far as we can learn you will have to wait a considerable time before there would be any chance of a return on your stock.

Dominion Iron and Steel

Banker, Fergus.—We would be pleased to have you give us some information if possible regarding the two following bonds: Dominion Iron and Steel Co., Consolidated Mortgage, issued in pounds sterling, due Sep. 1, 1939.

At present prices the consolidated mortgage bonds of the Dominion Iron and Steel Company give a yield of over 8 per cent. to the investor.

These bonds were issued both in sterling and Canadian currency and the amount outstanding totals $11,674,253. Of this total $4,639,000 is guaranteed by the Dominion Steel Corporation. This total represents the Canadian currency bonds which are outstanding.

The first mortgage on the property consists of an issue of bonds totalling $5,355,000.

The Dominion Iron and Steel Co. is a subsidiary of the Dominion Steel Corporation which in turn is a subsidiary of the British Steel Corporation. It can be said, however, that Besco owns the company. The British Empire Steel Corporation does not publish the results of the operation of its subsidiaries, so we cannot tell you the relation of this company's earnings to its bond interest. One thing we do know though, is that should Besco meet with labor trouble such as hampered its operations this year, the outlook for the bond holders will be decidedly unfavorable. Should the British Empire Steel settle down for any length of time into steady production, the price at which the bonds are changing hands would naturally move upwards. They are selling now between 61 and 63. In the meantime the results from Besco's properties are considerably better than they have been for some years and as long as there is no trouble with labor, the outlook is considerably better.

Good Utility Bonds

J. M., Montreal.—I would appreciate your opinion regarding the following bonds from an investment standpoint. The factors I am primarily interested in regarding the bonds are security of principal, ability on the part of the company concerned to meet interest payments regularly, and marketability of the security. I should also like to have an idea as to the field of operation and financial position of the companies represented in the following issues: Quebec Southern Power 6½ per cent. due May, 1924, Manitoba Power 7 per cent. due 1941, Jamaica Public Service first mortgage 6½ per cent. due 1943.

The bonds which you hold are business men's investments. The 6½s of the Jamaica Public Service are selling at around 102; the Manitoba Power 7's are changing hands at about 103, whilst the Quebec Southern Power Corporation bonds are being sold at 100 and carry a bonus of two shares of common with each $1,000 bond.

Yuu will obtain the lowest yield from your investment in the Jamaica Public Service Company. This is an excellent bond.

Until more or less recently, the Manitoba Power Co. was handicapped by having a surplus supply of power. Due to the bettered business conditions in Winnipeg and its environs, the company has been able to dispose of practically its entire output and indications point to the fact that within a year or two it will be necessary to add further generators at the company's plant. This, together with the probability of gradually lowered bond yields, might mean a further increase in the price at which these securities are changing hands.

The Quebec Southern Power Corporation is the consolidation of two hydro electric systems situated in the Laurentian district of the Province of Quebec. The Corporation and its subsidiary supply light and power to well over 30 towns and villages. The total horse power developed amounts to 5,500.

The company was formed about a year ago and earnings are estimated for the present year to be at least twice the interest requirements on the bonds. These bonds have a certain speculative attraction in the bonus of common stock which goes with them. The company is a small one but appears to be meeting with success and is expanding.

Service Appreciated

Editor, The Financial Post,
Toronto.

Sir: I appreciate very much indeed the information you were good enough to give in your letter of January 11, in respect to Davies, Gunn's and Brompton.

Yours very truly,
(Stratford Business Man).

Unauthorized Advertisement

An advertisement having appeared in the Grimsby Independent announcing the establishment of a broker's investment service "with the cooperation of The Financial Post, of Toronto," the publishers of this paper take this occasion to declare that the use of its name in this connection was not authorized nor is it ever authorized in any such connection. Assurance has been asked that the advertisement will not be repeated.

The investment service of The Financial Post is conducted solely for the benefit of investors who are regular subscribers. Such a service demands entire independence in the stand which may be taken regarding any securities offered to the public.

—THE PUBLISHERS.

"Power" Bonds

The January issue of our monthly publication "Investment Recommendations" contains particulars of the First Mortgage Bonds of old-established light and power companies, yielding as high as 6.25%.

Write for a copy. It will assist you in investing safely and profitably.

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Man Who Pays for Advertising is Man Who Doesn't Advertise

There are still some dealers who think they pay for the manufacturer's advertising, says Meredith's Merchandising Advertising. And they tell you they will take on your line if you will allow them per dozen the amount of advertising expense that they claim is charged into every dozen made.

The story of advertised goods is well explained by a certain dealer, who said recently that he had been hurting his own business, and didn't realize it until he hired a clerk from a competitor.

From the clerk he learned that his competitor, who was in a poor location and had been in business about one-half the time that he had been, was selling four times as many overalls as he was. After studying the thing over, he came to the following conclusions:

1. That it is the volume of profit and not the margin of profit that counts. That it is sometimes possible to mark up an unadvertised brand 75 to 100 per cent. and the advertised article 25 to 50 per cent., but if you sell ten of the latter to one of the former with the same capital invested, certainly the advertised line was more desirable merchandise to handle.
2. Pushing advertised goods decreased his expenses. Goods would not stay on the shelves so long and it took less effort and expense to move them. This because the manufacturer broke down sales resistance.
3. Advertised lines are usually of better quality.
4. Advertised lines are constantly adding new features and are more exclusive.
5. Advertised lines usually have a standard price and eliminate ruinous price cutting.
6. Many new people visit a dealer's store in response to a manufacturer's advertisement and buy other merchandise on the strength of the visit.
7. Advertised goods confer a certain prestige on the dealer handling them.

The man who pays for the advertising is the man who doesn't advertise his products. Advertising has done more to bring down prices on well-known trade-marked goods than any other agency.

That is because it has increased volume and permitted the manufacturer to keep his equipment busy throughout the year.

POST-Scripts

THE high price of potatoes this year brings to our mind the question: Who discovered the potato? Most people think it came from Ireland. Well, it did, after Sir John Hawkins, in 1565, brought it first to Ireland from South America, where the spud is native to the manner born. Twenty years later Sir Francis Drake brought the curiosity to England, but not until the end of the eighteenth century did it come into general use. And now look at it! The only food crops on earth that exceed it are wheat and rye.

THIS modern version of "If" is reprinted by "Pure Para," the staff organ of the Dunlop Company:

If you can keep your temper when a tire blows out,
And it is raining hard, and you are far
From telephones, upon an unknown route,
And wife's a fussin' from the stranded car;
If you can whistle while you rummage after
Wrenches, finding only they are gone;
If you can think of auto thieves with laughter,
And hurt your thumb, and then break forth in song;
If you can answer questions fools about you
Ask who stand and gape upon you while you work;
If you can grin when all is mud about you—
Lie down in slush and don't rage like a Turk;
If you can toil and toil and get things ready,
Then find you've put a bum tube in your tire;
If you can start again—keep sweet and steady,
And work on nerve, and don't get mad as fire;
If you can go through this and crawl from "under"
And drive on home without a trace of grouch,
This world ain't fit for you—you're just a wonder,
You've either got religion or you're dumb, I'll vouch.

—J. M. Ballantyne in the New York Times.

AGAIN allow us to revert to the criticisms of finance by Archbishop McNeil, of Toronto. As was pointed out in Post-Scripts last week, the Archbishop is inclined to feel that finance had lagged behind industry in recognizing its responsibility to the public. What appraisal would the Archbishop make of work the banks have done in Western Canada in helping to bring prosperity to the farmers? There was one man who went from Toronto to take charge of one of the western branches of one of the Canadian banks. He got interested in the cattle trade. He visited the stock yards and saw the scrub cattle coming in, poor and ill-fed—the antithesis of good beef cattle. The farmers allowed their cattle to run until they had lost all their fat and then rushed them to market at the season when the stock yards were glutted. Then they wondered why they got such poor prices for their cattle.

The bank man quietly organized a better feeding campaign. His bank advertised to the farmer to finish their cattle properly for market and it took steps to keep the supply more steady. A great deal of good work was done. Combined with the activities of other banks, insurance companies, trust companies, loan companies, and similar financial organizations it is gradually helping to bring prosperity to the live-stock growers of the West.

The bank that conducted this better feeding campaign was the Bank of Toronto, and the man who started it and kept it going was F. H. Marsh, the Western superintendent.

Every day the banking and financial institutions are giving their support to worthy efforts of this nature. Certainly they are recognizing in such work their responsibility to the public.

To Holders of Securities

Few investors can analyze all the factors that make investing safe and profitable.

Through a fully equipped Correspondence Department we conduct a national mail investment service that grows steadily in usefulness and volume.

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Township of York—
a high-grade trustee security

Because of its location, development and population, York, although having the municipal status of a township, is virtually a city. During the last seven years the value of buildings erected totalled $45,000,000, York in this respect ranking third in Canada.

The present issue of Township of York 5% Bonds offers a good investment opportunity. Denominations are $1,000, $500 and Odd Amounts, and purchasers may obtain bonds due in any year from 1932 to 1956.

Prices:
Maturities 1932-1936—100.00 and interest
Maturities 1937-1946—100.50 and interest
Maturities 1947-1956—101.00 and interest

Descriptive circular gladly furnished upon request.

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BONDS - WE - RECOMMEND

City of Montreal

4½% Bonds

These Bonds are direct obligations of the largest and wealthiest city in Canada and the sixth largest on the continent.

It is interesting to note that property owned by the city including real estate, water works, etc., is valued at $126,301,716 as against a net bonded debt of only $132,276,893.

Principal and interest are payable either in Canada or New York, giving the issue a wide market. The bonds are due February 1, 1946, and are in denominations of $1,000.

Price 95¼ and interest to yield about 4.875
(Subject to prior sale and change in price)

Upon request we will forward a copy of the January issue of our monthly publication "Investment Securities" which contains a complete list of our current recommendations. Write our office nearest you.

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News of the Investment Market

BULL MOVEMENT IS ANTICIPATED IN BOND MARKET

Matter of Stable Buying Power in Bonds Arouses Interest

After an exceptionally busy period from the standpoint of new issues of considerable importance, the market turned unusually quiet this week, few municipal issues of any sort coming forward. The reinvestment of interest and dividends paid to security holders at the first of the year is swelling the volume of sales, especially of high grade issues, and the supply of these is still short of requirements. Currently published bank figures show that the savings deposits of the chartered banks have still further increased, while loans have not kept pace. These are, of course, only November figures, and the effect of business expansion was not then felt. The general expression of optimism on the part of leading bankers, in connection with their annual meetings, seems to indicate that they have more recent indications of recovering business than the figures indicate.

Be this as it may, there is still abundance of capital available, and the impression among investment bankers is that the money market will be still easier before the reverse. In connection with the outlook in this respect it is interesting to note Moody's forecast of the bond market published under date of January 7:

"The plethora of capital, however, is here to stay, and promises to become more pronounced very shortly. Hence, after a moderate reaction of some months, the bond market should be expected to enter upon a real bull movement. Because of the greatness of the plethora of capital, this ought to prove the greatest bull movement in bonds within the memory of the present generation. When once begun it should continue for some years, and ultimately carry bond prices five to ten points above the highest levels of 1925."

The Problem of Purchasing Power

Some of the leading investment banking houses in the United States are paying some attention to methods of eliminating the decline in actual value or purchasing power, in bond principal and interest, resulting from extreme price fluctuations. It is evident that when an investor buys a long-term bond, he is gambling on possible changes in the buying power of his bond, consequent upon violent price changes. One firm, the Rand-Kardex Company, has already floated an issue which is corrected for purchasing power. The effect of violent price fluctuations is taken care of by adjusting interest and principal payments in accordance with an index number of prices. Another firm is advertising a convertible bond with warrants attached, and explains the advantages of these provisions thus:

"No matter how stable a currency may be, $10 in 1913 is not $10 in 1926, from the point of view of purchasing power. In time of high prices, common dividends tend to rise, thus participating in the nation's prosperity; interest on bonds remains the same in monetary value, but its market value is less." The convertible bond gives the bondholder the opportunity of adjusting his investments to existing economic conditions. "As its name implies, it is convertible after a set date into common stock at a given ratio. If the stock of a corporation rises from a par of 100 to 150, the convertible bond of that corporation tends to rise proportionately.

"A new development, similar in principle to the above, is found in the bond with warrant attached. The warrant entitles the holder of the bond, after a certain date, to purchase stock at a given ratio. For example, suppose that in an issue of this kind each $1000 bond is accompanied by a warrant entitling the holder to subscribe to 22½ shares of common stock in 1926 at $40 a share. If the stock in 1926 is selling on the market at $50, the bondholder makes $10 on every share of stock to which he subscribes.

"In this way, therefore, the bondholder not only enjoys the security of his bond investment; but has the chance to participate in increased earnings. The declining purchasing power of bonds that results from an era of high prices is met by the larger dividends on the stock which the warrant enables the bondholder to buy at a special rate."

Will Market Prices Fall?

From Our Own Correspondent.

MONTREAL.—For several months past there have been many who have been expecting a major decline in stock market prices. There seems little reason to doubt that New York stocks will break from their unprecedented level, but it is quite impossible to forecast exactly when this will occur.

When it does come, it is certain that it will be quickly reflected in the Canadian market. Canadian investors, therefore, may be interested in the following bulletin sent from New York by H. K. Evans, of the brokerage firm of Livingston and Company:

"I sent out a message yesterday, saying that in my opinion the market was ripe for a break, and that it would surely start before February 1, and might start any time. It started yesterday, and I think will go a good way. In fact, my personal conviction is that the long bull market, which has been the greatest that Wall Street has ever seen, in my experience, both in duration and extent, has come to an end and that the year 1926 will be a bear year."

Farmers' Dairy Company Capital Readjustment

Detailed information has not yet been given out with regard to whether or not any change of ownership is involved in the recapitalization plan of the Farmers' Dairy. The change involves an issue of 7 per cent. non-cumulative preferred shares of $100 par and one common share of $50 par for each of the old shares of $50 par outstanding. Under the adjustment there will be issued capital of $1,050,000, while the previous capitalization was $350,000. It is rumored that outside interests have been seeking to gain control of the company, but nothing definite has yet been decided.

NEW PARTNER IN BOND FIRM

MONTREAL.—The investment house of Williams, Partridge & Hodgson, Ltd., announce that James T. Quinlan has become associated equally with the other three members of the firm in their business. Up to the present, Mr. Quinlan has been a director and associated in the activities of the Equitable Security Corporation.

APARTMENT HOUSE MAKES BOND ISSUE

Bankers Offer Bonds of Chomedy Apartments—Has Long Been Fully Rented

MONTREAL.—The firm of Hanson Brothers are offering $325,000, 6½ per cent., first, closed, mortgage bonds of the Chomedy Apartments. The bonds are being sold at 99 and yield the investor 6.6 per cent. This apartment house is situated in the residential section of Montreal, and for several years past no apartments in the building have been unrented. At the present time the company has a waiting list and anticipates no future difficulty in keeping the apartments leased at satisfactory rentals. There are twenty-six suites of apartments.

Six valuators have appraised the value of the land and building at $586,098; the bond issue, therefore, represents 56 per cent. of the value of the property mortgaged.

Based on the revenue now being received from the property, the net revenue available for bond interest should amount to $34,519, against the maximum annual bond interest of $21,125.

The bonds mature in fifteen years and the trust deed covering the issue provides for a sinking fund, commencing at the close of this year, which is calculated to redeem 50 per cent. of the issue by maturity.

Sinking Fund Operations

The sinking fund comes into operation at the close of this year and for the first three years $5,000 will be deposited; the next four years $7,000; the remaining seven years $9,000—in each case with interest on all bonds previously redeemed through the sinking fund.

Through issuing these bonds, the Chomedy Apartments has acquired sufficient land to permit the construction of garages for rental to tenants of the apartments. It is anticipated that this will provide an additional source of revenue.

The new financing gives the company the following capitalization:

	Authorized	Outstanding
First (closed) mortgage 6½ sinking fund gold bonds	$325,000	$325,000
Common shares, par value $100	200,000	200,000

INTERESTING ISSUES

Dom. Iron and Steel 5's of 1939 an Attractive Speculation

An investment which offers rather high speculative possibilites at the moment are the Dominion Iron and Steel consolidated 5 per cent. bonds, due 1939, subject, of course, to continued improvement in the general position of the British Empire Steel Corporation's business. Dominion Steel makes about the best showing of any of the subsidiaries of Besco and its valuable iron ore deposits are the most valuable asset of the parent company.

Dominion Iron and Steel operates three iron ore mines in connection with its vast ore deposits in Newfoundland, and also owns coke ovens, blast furnaces, mills and steel works at Sydney. Under favorable conditions, especially with regard to labor, there is every reason to look for rapid growth in the company's operations, and large profits. While the present outlook is actually bright for better labor conditions, this situation is the one factor which must be watched by holders of securities of the company.

The five per cent. bonds of 1939 are really a second mortgage on the property. There is an issue of first mortgage bonds outstanding to a total of $5,355,000 due in 1929. The former were issued in 1909 and a total of $11,674,253 are now in the hands of the public. The present wholesale price range is from 62 to 66, which would mean a yield in the neighborhood of 9 per cent. With about twelve years until maturity, this is obviously an attractive yield, assuming satisfactory progress on the part of the company. There is a sinking fund of 1 per cent. of the total bonds issued including those reserved to retire the first mortgage bonds (less the amount of sinking fund paid on account of the latter) payable each year beginning with 1911. The security for the bonds is a lien on all property now owned or hereafter acquired, subject, of course, to the underlying first mortgage bonds. The National Trust Company Ltd., of Toronto, are trustees. Interest is payable March and September at the Bank of Montreal, Montreal and London, England.

The price range of the bonds during the past six years was as follows:

	1919	1920	1921	1922	1923	1924
High	90¾	90¾	77¼	92⅛	85½	79¼
Low	81½	71	61	74	76	58

QUEBEC SOUTHERN POWER
6½% Bonds
Due May 1st, 1945

¶ This Corporation is building up a large business in growing districts contiguous to Montreal and we believe the territory now served and to be served assures a prosperous future.

¶ We advise your immediate order and shall gladly furnish full particulars upon request.

Price:
100 and interest to yield 6½%.

Bonus of 2 shares Common stock with each $1,000 of Bonds.

Browne, Urquhart & Co.
Limited
180 St. James St. Montreal
Tel. Main 8011*

QUEBEC APARTMENTS LIMITED
6½% 1st Mortgage Bonds
1940
Inquiries Solicited
Ernest Savard, Limited
Investment Bankers
171 St. James St. Montreal. Harbour 5258-9
71 St. Peter St., Quebec. Phone 2-6486.

FOUNDED 1883

BONDS
for
SAFE INVESTMENT

GOVERNMENT, Municipal Public Utility and Industrial Bonds.

Selected with careful regard to safety, dependable income and marketability.

Write for List.

HANSON BROS.
Investment Securities
160 St. James St. Montreal
320 Bay St. Toronto
63 Sparks St., Ottawa

BANQUE CANADIENNE NATIONALE

Statement of Condition as of November 30, 1925

ASSETS

1.	Cash	$17,229,295.28
2.	Balance due by other Banks	7,789,670.32
3.	Dominion and Provincial Government and Canadian Municipal Securities (At less than market value.)	29,400,620.73
4.	Foreign Public Securities (Paris Subsidiary) (At less than market value.)	1,006,106.53
5.	Other Securities (At less than market value.)	959,809.98
6.	Call Loans (Secured by Collateral of ample marketable value.)	7,245,824.29
7.	Current Loans and Discounts (After providing for all doubtful debts and contingencies.)	59,081,772.46
8.	Real Estate, Mortgages and other assets (At less than marketable value.)	2,313,680.64
9.	Bank premises, furniture and fixtures (At less than cost price and marketable value.)	5,504,941.52
10.	Miscellaneous (cash value)	951,967.36
		$131,483,689.11

LIABILITIES

1.	Notes of the Bank	$12,541,594.00
2.	Deposits (Savings, Current, Correspondents)	106,693,455.37
3.	Miscellaneous	843,087.84
	Liabilities to the Public	$120,078,137.21
	Liabilities to Shareholders (Capital, Rest Fund and Undivided Profits)	11,405,551.90
		$131,483,689.11

ROBERTS, CAMERON & CO.
LIMITED.
Canadian Government and Municipal Bonds Listed Stocks.
Adelaide 3486-7-8.
Northern Ontario Bldg., TORONTO.

CITY OF STRATFORD
5½% Bonds
Due Jan. 1st, 1945
PRICE:
to yield 4.95%

H. R. BAIN & Co. LTD.
Government, Municipal and High Grade Corporation Bonds
371 Bay Street, Toronto

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED.
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

We own and offer
Milton Brick Ltd.,
6½%
First (Closed) Mortgage Sinking Fund Gold Bonds
Due
April 1st, 1935
April 1st, 1940
Interest payable half-yearly. April 1st and October 1st.
Price on Application.
BROWNING, HARRIS, DENMAN & CO., LTD.
LONDON BELLEVILLE
31 Main St. E., HAMILTON, ONT.
Phones, Regent 6853-6854.
Private line to Toronto, Adel. 8865.

ROSS, JOHNSON, LIMITED
Bonds, Stocks, Insurance and Real Estate
Specialising in B.C. mining issues
Vancouver, B.C. Rogers Bldg.
Victoria, B.C.
New York 47 Broadway

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

DOMINION OF CANADA
4½% Bonds
Dated Sept. 1st, 1925
Due Sept. 1st, 1940.
PRICE: 97.25 and Accrued Interest, yielding over 4.75 per cent.
Campbell, Thompson & Co.
Investment Bankers
293 Bay Street. TORONTO

MURRAY & COMPANY
Specializing in
Government
Municipal
and
Corporation
Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

B. H. PORTEOUS & Company
Stock and Bond Brokers
Members
Montreal Stock Exchange
17 St. John Street
Montreal, Que.

OSLER, HAMMOND & NANTON
LIMITED
WINNIPEG
Stocks and Bonds
Insurance
Mortgage Loans
Farm Lands

New Issue
CROWN WILLAMETTE PAPER COMPANY
First Preferred Stock
Cumulative Dividends $7.00 per share per annum.
This Company with plants in Canada and the United States is one of the largest producers of newsprint and paper products in the world.
PRICE: $100 and Accrued Dividend per share carrying Voting Trust Certificate for one share (No par value) Common Stock.
Circulars with full particulars on request.
MATTHEWS & COMPANY
LIMITED
255 Bay Street, Toronto

FOREIGN SECURITIES
We are active in all foreign issues.
Ask for quotations.
Have your name placed on our mailing list.
EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal

GOVERNMENT & MUNICIPAL BONDS
LISTED STOCKS
BOUGHT, SOLD, EXCHANGED AND QUOTED.
For Prompt Service
Write, or Telephone Elgin 5148.
THE
TORONTO BOND EXCHANGE
LIMITED
SUCCESSORS TO
G. A. STIMSON & Co.
LIMITED EST. 1883
The Oldest Bond House in Canada
300 BAY STREET - TORONTO

LOUGHEED & TAYLOR
LIMITED
BONDS-INSURANCE-ESTATES
APPRAISALS & FARM LANDS
CALGARY.
ALBERTA.

McDonagh Somers & Co.
Government
and
Municipal Bonds
Dominion Bank Building
TORONTO
Canada

Cutting Coupons

The happiest job in the world! Each coupon a draft on pleasure, a means to some pleasant end you have in mind.

You may never cut coupons if you do not start now accumulating bonds. And this does not require capital!

A very conservative part of your weekly earnings, applied upon our systematic instalment plan, will set you on the high road to future independence.

JOHNSTON AND WARD
Canada Trust Bldg.,
14 King St. East, Toronto
Members { Montreal Stock Exchange / Toronto Stock Exchange

GOVERNMENT
and
MUNICIPAL
BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

Municipal and Provincial Finance

We own and offer

Amount	Security	Rate	Due	Price	Yield
$50,000	Province of Ontario	5½%	1942	106.87	4.90%
25,000	City of Edmonton	5½%	1945	101.00	5.42%
10,000	Northern Canada Power Limited	6%	1945	101.00	5.92%
5,000	Northern Ontario Light & Power Co.	6%	1946	100.00	6%

Fully descriptive circulars will be sent upon request.

Gairdner & Company, Limited
312 Bay Street, Toronto 2 Telephone: Elgin 2301

ESTABLISHED
1910

CREDIT - CANADA
Limitée

Investment Bankers

Insurance

120 St. James St.,
Montreal
MAIN 4191

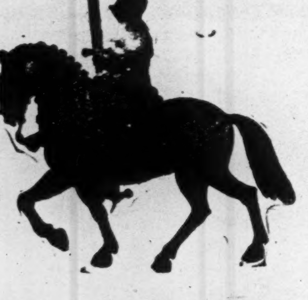
Write for our list of RECOMMENDED INVESTMENTS

Investment Isn't Speculation

Be sure you are not speculating when you invest. The difference is not always understood.

If in doubt—don't—is a safe rule to follow when investing.

F. H. Deacon & Co.
227 Bay St., • Toronto



PROTECTED INVESTMENTS

In the securities that we recommend we are guided always by the interests of our clients. Let us tell you what steps we take to assure double protection in all our investments.

"Invest with Safety"

W. M. WILSON, *Pres.* C. MORRISON, *Treas.*

DOMINION FINANCIAL CORPORATION Limited

232 St. James St., Montreal
Telephone MAIN 5412

FEDERAL SALES TAX UPHELD

In a decision handed down by Mr. Justice Panneton in the Superior Court this week the constitutionality of the federal sales tax has been established. It was attacked by the Attorney General of Quebec when claim for the payment of a provincial commercial tax clashed with a claim for sales tax from the federal government, but the provincial claim was dismissed.

CANADA'S TAXES TAKE FIFTH OF NET OUTPUT

Canada has a lower per capita total of federal, provincial and municipal taxes than either the United States, Great Britain or Australia, according to a report issued by the Canadian tax conference under the direction of Dr. Horace L. Brittain. The percentage of total taxes to net production is smaller here than in Great Britain or Australia, but larger than in the United States. According to these figures, which are for 1923, Canada's total per capita tax is $66.11, that of the States, $67.39, of Australia, $69.68 and of Great Britain, $97.12. The percentage of total taxes to net production in Canada is 19.7, in Australia 21.6, in Britain 28.9 and in the United States 13.9.

The total amount of taxes raised in Canada during the year in question was $600,487,727, while Australia raised $400,517,087, Britain, $4,296,313,252 and the United States $7,387,936,596. It is an interesting fact that while 45.3 per cent. of Australia's Commonwealth taxation was derived from customs duties, and 35.5 per cent. of the Dominion's, the United States derived only 17.5 per cent. from this source, and Great Britain under so-called free trade, realized 16.7 per cent.

It is evident from the figures quoted that although Canada had the lowest per capita tax of the four countries, she paid 5.8 per cent. more of her annual net production to governments in taxes than does the United States, thus leaving that much less of her income for the individual to spend as he desires. On the other hand the Canadian has an advantage in this connection, of 1.9 per cent. over the Australian, and 9.2 per cent over the Britisher. While the per capita total of local taxation, that is, provincial or state and municipal, is nearly the same for Canada and Australia, the former derives the greater portion through municipal channels and the latter through state channels.

MONTREAL'S ASSESSMENT

A statement recently prepared by the Montreal city treasurer shows the assessment change since 1910. In 1910, the gross valuation amounted to $435,562,138; the exempted valuation, $107,527,842; and the net valuation, $328,034,296. If these figures seem large, they are much surpassed by the record for 1925, indicating a gross property valuation of $1,037,840,000; an exempted valuation of $245,593,225, and a net or taxable valuation of $792,247,312.

The extent to which the city of Montreal is carrying on local improvements is shown by another table giving a total of $23,136,702. This large amount is made up as follows: Special collectible taxes, $11,389,299; the disbursements on proprietors' shares not yet levied, $10,247,402; and real estate to be sold valued at about $1,500,000.

REALTY TAXES OF $18,000,000

The total collections in realty taxes in Montreal during 1925 amounted to $18,549,053, which is the backbone of the municipal revenue. This includes arrears in the property tax for ten years. The revenue collected on the 1925 roll was $12,961,298 out of a total due of $19,016,157. This is the first time the assessment roll has ever exceeded $19,000,000.

Tenders and By-laws

TENDERS CALLED

January 25—Village of Fort Coulogne, P.Q.—$30,000, 5½ per cent. serial debentures. D. J. Shea, sec.-treas.

January 26, School Commission of Cote Saint Luc, P.Q.—$12,000, 6 per cent., serial bonds. S. Descarries, sec.-treas.

January 30, School Municipality of Notre Dame des Bois—$8,000, 5½ per cent., serial debentures. Charles Valence, sec.-treas.

Feb. 1, Prince Rupert—$89,650, 5½ per cent., serial, one to ten years, debentures. D. J. Matheson, city treas.

June 26, Regina.—$254,360, 5%, 15 and 30-year sinking fund debentures. D. D. Ross, city treas. (See announcement on page 16.)

PUBLICITY YIELDS AMPLE RETURNS TO MUNICIPALITIES

Is Paying Big Dividends in Many Sections of States

That the advantages accruing from the right kind of municipal publicity and carefully directed advertising are worth millions to many sections of the United States to-day is just beginning to impress itself upon thinking Canadians from coast to coast. Several of the leaders in the financial field have recently expressed the opinion that Canada needs immigration more then she needs anything else at the moment. National publicity has its place, but is quite incomplete without sectional advertising as well. As pointed out recently by the Lethbridge Herald, such states as Florida and California have attracted thousands of new inhabitants and millions of capital by this means. Canada needs immigration, more, presumably, than either of these, yet she is placidly watching the treck elsewhere. She is even training Europeans for United States citizenship, and losing them after a few months residence.

That the United States has found this type of municipal advertising amply justified is seen from the fact that appropriations were greatly increased, in most cases, when once tried. This is what some California municipalities have spent during the past two years in advertising, as quoted from Western Advertising:

	1924	1925
All Year Club of Southern Cali.	$250,000	$500,000
San Franscisco Californians, Inc.	375,000	400,000
Glendale, Chamber of Commerce	5,000	......
Inglewood, Chamber of Commerce	2,000	5,000
Long Beach	....	15,000
Monterey, Peninsula Inc.	4,000	......
Monrovia, Chamber of Commerce	1,500	2,000
Oakland, Chamber of Commerce	20,000	50,000
Redlands, Chamber of Commerce	5,000	5,000
Redondo Beach, Chamber of Com.	10,000	......
Riverside, Chamber of Commerce	6,000	6,000
Sacramento, Chamber of Commerce	19,500	25,000
San Diego, California Club	....	50,000
Santa Ana, Chamber of Commerce	1,200	2,000
Venice, Chamber of Commerce	7,000	......
Vallejo, Chamber of Commerce	....	500
Ventura, Chamber of Commerce	2,000	3,000
Wilmington, Greater Wilmington Club	3,000	......

That the expenditure is amply justified is seen from the fact that for three years after the campaign, in relation with the three preceding years:

New water conections increased 96 per cent.

New electricity consumers increased 87 per cent.

New gas consumers increased 49 per cent.

New telephone connections increased 37 per cent.

Property values increased 184 per cent.

Building permit values increased 184 per cent.

It would probably be an exaggeration to say that all of these changes were due to the publicity campaign, but it certainly was a factor, and an important one.

The application of these experiences to Canadian municipalities is thus expressed by the Lethbridge Herald:

We are ready for a new tide of immigration. Southern Alberta has staged a remarkable come-back since the years of depression following the war. Agriculture, which was then at its low point, has again been put on a paying basis. Thousands of farmers who were deeply in debt have paid out. Our recovery in Southern Alberta will compare favorably with that in any other section of North America — for be it known that even Iowa, Illinois and Wisconsin felt the depression in agriculture as keenly as we did here.

The time is ripe to launch a campaign to secure new settlers. We have been reticent about inviting newcomers until we were, ourselves, once more on our feet. But the time has now arrived when we must look to the future. We must fill up our vacant acres with people who will make them produce. Judicious publicity is the way to do this. We do not want a boom, but we do want growth based upon actual opportunities offered.

What is said by the Lethbridge Herald applies equally to all parts of Canada, the inhabitants of which feel that they would be benefited by a greater population and a lighter tax burden. This is a right and proper function of the municipality, and one the neglect of which obviously means a maintenance of the present situation while other sections forge ahead.

This Week's Bond Sales

BOWMANVILLE ISSUE

Royal Securities Corporation were the successful tenderers for an issue of $66,399 Town of Bowmanville 5 per cent. 20-instalment local improvement bonds, on a bid of 99.77. Roberts, Cameron & Co., bid 98.37.

ST. THERESE, QUE., BONDS

An issue of $60,000, St. Therese, five per cent., 25-year serial bonds was sold to Mead & Co., at 97.838, or equal to a cost basis of 5.23 per cent. Tenders were as follows:

Mead & Co.	97.838
Credit Canadien	97.76
L. G. Beaubien & Co.	97.40
Credit Anglo-Francais	97.13
Rene T. Leclerc	95.15

PROVINCE OF ALBERTA ISSUE

Wood, Gundy & Co. were the successful tenderers for an issue of $1,200,000 Province of Alberta 20-year, 4½ per cent. bonds, due Jan. 15, 1946. The bonds are payable as to principal and interest in New York and London, England, as well as in Canada. At the price of 94.08, the cost to the province is 4.97 per cent.

Following is the list of bids:

Wood, Gundy & Co.	94.08
A. E. Ames & Co.	93.85
Dominion Securities Corp.; Dillon, Read & Co.	93.78
Canadian Bank of Commerce	93.71
Fry, Mills, Spence & Co.; Dominion Bank; Bank of Toronto	93.33
MacNeill, Graham & Co.; Aird, McLeod & Co.; Gairdner & Co.; C. H. Burgess & Co.	93.42
Cochrane, Hay & Co.; Bell, Gouinlock & Co.	92.97

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

Telephone - Elgin 4441
for an appointment

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

SAYS DOMINION OWES LARGE AMOUNT TO B.C.

Claim Made That Coast Province Got Bad Bargain From Dominion in 1871

An interesting sidelight on the financial relations between the Dominion and the various provinces was brought out in a recent address in Vancouver by Leon J. Ladner, M.P. The claim was made by Mr. Ladner that the Dominion owed the province of British Columbia an amount of money sufficient to pay for the University, to complete the Pacific Great Eastern Railway, to remove the indebtedness of the province and make it the most flourishing part of Canada. This remarkable claim was based on the agreement of 1871 by which the Dominion agreed to build a railway through to the coast, and received in return certain land grants.

The total value of the areas to which British Columbia has a right and just claim, according to Mr. Ladner, was placed at $130,000,000. This, he estimated was at least $40,000,000 more than the moneys received from the Federal Government in return. "British Columbia," said Mr. Ladner, "is entitled to the return of the railway belt lands, the Peace River block, the Indian lands that have reverted to the Dominion Government through the dying out of the race, and an accounting of the value and money received from the Dominion lands on Vancouver Island." The speaker explained the terms of the agreement of 1871 by which the province joined the Dominion. Under this, the province gave the government a strip of land—the railway belt—five hundred miles long and forty miles wide, in return for the guarantee of a railway across the continent passing through British Columbia. In 1884 an additional inducement had to be given, and the Peace River block passed into the hands of the Federal Government. To obtain a railroad on Vancouver Island, in addition, the province had to give the Federal Government two million acres of land there. All these requirements, argued Mr. Ladner, were far out of proportion to the value received, or to the cost of the work done.

Partially on the above premise, the speaker stated that there should be a rearrangement of the subsidies to the various provincial governments.

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

The following, amongst others, are securities for which our market facilities will be found most dependable: Quebec Power 6's 1953, Quebec Railway 5's 1939, Mont. Tramways 5's 1941 and 5's 1955, Duke-Price-Power 6's 1949, Belgo Paper 6's 1943, Bell Telephone 5's 1955, Wayagamack 6's 1951 and 6½'s 1930.

Enquiries invited

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)

E184

7% UNITED FIRST MORTGAGE BONDS

Without obligation send for our Booklet:
"THE HIGHROAD"

UNITED BOND CO. LIMITED

Toronto
297 Bay Street

Windsor
Imperial Bank Bldg.

SECURITY and EARNINGS

Where the security is over four times the authorized bond issue and earnings over six times the amount necessary to pay interest, are combined—the bonds, if obtainable at a fair rate, should make an excellent investment.
These are exactly the facts in the case of

VIAU BISCUIT CORPORATION LIMITED
6½ 1st General Mortgage
Sinking Fund Bonds due 1946
which we are offering at 99 and interest to yield 6.60%.
WE RECOMMEND THIS SECURITY TO YOUR CONSIDERATION.

H. B. ROBINSON & CO. LIMITED
Investment Bankers
35 King St. West, Toronto
ELGIN 1224
260 St. James Street, Montreal
MAIN 8542

$325,000

Chomedy Apartments, Limited
MONTREAL

6½% First Closed Mortgage Fifteen-Year Sinking Fund Gold Bonds

Dated January 1st, 1926. *Maturing January 1st, 1941.*

Interest payable half-yearly (1st of July and January). Interest and principal payable Toronto, Montreal and New York.

From the letter written us by Mr. George A. Ross, President of the Chomedy Apartments, Limited, we summarize as follows:

These apartments are situated on the Cote des Neiges Road in the finest residential section of Montreal. The average valuation of land and building as appraised by five expert valuators is $586,098, against $325,000 of 6½% First Mortgage bonds. The bond issue, therefore, represents only 56% of the value of the property mortgaged.

The building known as "Chomedy Apartments" has been in operation for seven years, and at the present time is 100% occupied and has never had a vacancy.

The actual Earnings of the Company after paying all Operating Expenses are now more than one and a half times the amount necessary to meet the interest on these bonds.

Bonds are offered with our recommendation as a safe and desirable investment. Special circular and further particulars on request.

Price: 99 and accrued interest, yielding 6.60%.

W. A. Mackenzie & Co.
217 Bay Street,
Toronto.

Hanson Bros.
330 Bay Street, Toronto.
160 St. James Street, Montreal.

The statements contained in this advertisement are not guaranteed, but based upon information which we believe to be reliable and on which we acted in purchasing these securities.

WEEK ENDING JANUARY 19

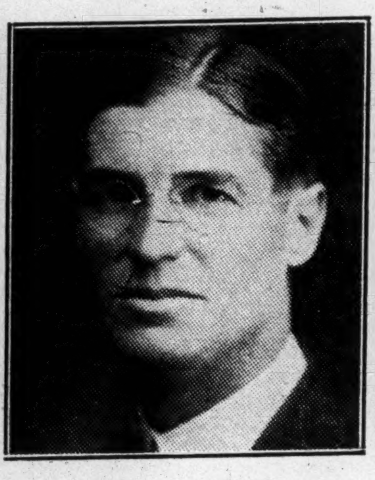
Bonds	Int. Rate	Due Year	Yield	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.29	99	80¾	97	92	97	96¾	96¾	—
Canada Bread	6	1941	5.52	105	102	105	104	—	105	105	104
Can. Canners	6	1950	6.45	96¼	90	95½	94	94⅜	94	94⅜	94
Can. Locomotive	6	1951	6.15	98¼	98	98	98	98	—	98	—
Dom. Canners	6	1940	5.89	101½	99½	101½	101	101	—	101	—
Montreal Trams (A)	5	1955	5.47	98¾	92¾	93½	92½	..	93	93	—
Montreal Trams	5	1941	5.20	98	94⅞	97¾	97¼	97½	97¼	97¾	97¼
Penmans	5	1926	5.00	99	98	100	99⅛	—	98½	100	—
Quebec Rly.	5	1939	5.70	98	89¼	93¼	92½	92½	—	93¼	—
Sau. Paulo	5	1929	6.29	95	91	95½	95½	—	95½	95½	—
Sherwin-Williams	6	1941	5.61	104	101¼	104⅛	—	—	104	104⅛	—
Steel of Can.	6	1940	5.41	106	103	106	106	—	106	106	—
Rio Janeiro	5	1935	5.73	95½	82	94½	—	—	93	94½	—
Wayagamack	6	1951	6.60	98¾	84¾	92½	92	—	92½	92½	92
Winnipeg Elec.	5	1935	5.79	95½	91	94	94	—	94	94	—
War Loan	5	1931	4.60	102.65	101.10	102.15	101.80	102.30	102.20	102.10	101.85
Do.	5	1937	4.53	104.95	103.80	104.40	103.85	104.35	104.25	104.40	104.10
Victory Loan	5½	1927	4.40	103.15	101.70	102.25	101.85	102.25	102.15	102.10	101.85
Do.	5½	1933	4.65	107.00	105.10	106.00	105.10	105.95	105.80	105.90	105.10
Do.	5½	1934	5.00	104.80	103.20	104.10	103.65	104.00	103.90	104.10	103.65
Do.	5½	1937	4.52	110.00	108.15	109.00	108.55	108.95	108.85	109.00	108.75
Do. Refund	5	1928	4.86	101.45	100.15	100.90	100.55	100.75	100.65	100.90	100.65
Do.	4½	1940	4.83	97.25	92.20	96.50	96.30	96.35	96.25	96.50	96.35
Do.	5	1943	4.85	102.90	101.15	101.70	101.40	101.60	101.50	101.65	101.50
Do.	4½	1944	4.75	97.75	96.20	96.95	96.40	96.85	96.75	96.95	96.70
Do. Renewal	5½	1927	4.80	102.95	100.80	101.70	101.20	—	101.50	101.70	101.25
Do. "	5½	1932	4.96	104.20	102.65	103.30	102.85	103.20	103.10	103.30	102.90

WEEKLY RECORD OF CANADIAN FINANCING

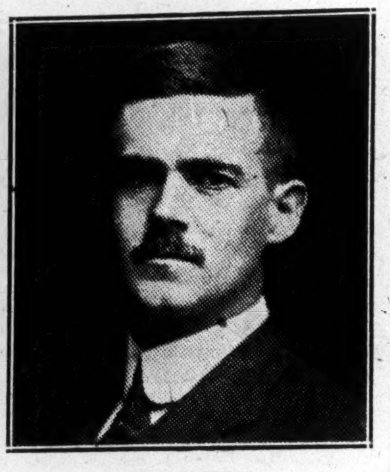
Place Bond Sales—	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
		MUNICIPAL					
St. Therese, Que.	Jan.	Mead & Co.	5%	1950	$60,000	97.838	5.23
Antigonish, N.S.	Jan.	A. O. Phillip, Halifax	5%	1955	60,000	99,50	5.04
Arthur	Jan.	C. H. Burgess & Co.	5½%	1945	10,450	104.56	4.97
Bowmanville	Jan.	Royal Securities Corp.	5%	1946	66,399	99.77	....
		Provincial					
Alberta	Jan.	Wood, Gundy & Co.	4½%	1946	1,200,000	94.08	4.97
		Corporation					
Viau Biscuit Corp.	Jan.	H. B. Robinson & Co., and J. M. Robinson & Sons	6½%	1946	400,000	99	6.60
Northern Ont. Lt. & Pr.	Jan.	Bonbright & Co., Inc., and W. C. Lanlgey & Co, New York	6%	1946	5,250,000	100	...
Deer Park Manor	Jan.	Stewart, Scully Co.	7%	1940	150,000	100	...

Insurance for Buyer and Seller

Canada Life Appointments



A. GORDON RAMSAY,
Appointed General Superintendent of the Canada Life Assurance Company.



A. N. MITCHELL,
Appointed Assistant General Manager of the Canada Life Assurance Company.

MOTOR INSURANCE RATES AGAIN CUT BY TARIFF FIRMS

Reductions of About 15 Per Cent. Except in Collision Insurance

When the new 1926 rates of the Canadian Automobile Underwriters' Association were announced this week, they showed a distinct decline, as forecast in The Financial Post a few weeks ago. New rating manuals will be printed and distributed to agents and companies about February 1.

V. Evan Gray, chairman of the association has given The Financial Post the following summary of the changes:

"The Canadian Automobile Underwriters' Association has announced changes in rates and rules for automobile insurance, effective January 15, 1926. These changes are the result of a very careful study of the experience record of the insurance companies for the past four years. The record of the loss cost, segregated by territorial divisions and classification of cars, indicated the need for the readjustments which are now announced.

"The district of Windsor and part of the county of Essex, which was formerly surcharged, has now been put in the same territorial classification as the cities of Toronto and Hamilton, thereby effecting a substantial reduction in premium rates for Windsor district.

"The definition of the Northern Ontario territory has been changed, giving an advantage to the towns upon the railway lines from North Bay to Sudbury to Sault Ste. Marie and from Nipigon to Kenora.

"In Quebec, a similar simplification of the territorial arrangements differentiates the city and Island of Montreal, and the cities of Quebec and Levis, from the remainder of the province. In the Maritime Provinces, each province has been distinctly treated.

"In the public liability and property damage divisions the new classification of cars reduces the number of classes from six to three, and to these new classes have been applied certain readjustments of rate which represent rate reductions amounting in the average to between 15 and 20 per cent.

Up Go Collision Rates

"The results of the experience on collision insurance are most illuminating. Full cover collision insurance has been unprofitable to the companies, and there is some ground to believe that it will always be unprofitable at whatever rates it may be written. Over a term of years this branch of automobile insurance shows a claim frequency of 98 per cent.; that is to say, for every one hundred cars insured, ninety-eight claims for collision coverage are made upon an insurance company. It has, therefore, been necessary to increase the rate of premium charge for full coverage collision insurance in all territories. This is, in some measure, compensated by reductions in the $25 deductible and the $50 deductible coverages.

"The reclassification of cars for fire insurance purposes will have its chief effect in the reduction of the Ford car from Class C to Class A for rating purposes. In the future there will be two classes only, consisting of, 1, those cars now in production, and, 2, those makes of cars no longer manufactured.

"For theft insurance, the new classifications abandon the distinction between open and closed models. Experience has shown that under present conditions the hazard is approximately the same. This is due in part to the increasing popularity of closed car models.

"The automobile theft record in Ontario and the western provinces is excellent and some decreases in rates in these territories are the result. On the other hand, the situation in Montreal seems not to have improved, and the 1925 rates must be maintained there.

Commercial Car Changes

"The changes in the rates for commercial cars follow the same general lines as those for private passenger. The territorial divisions are identical. The reclassifications are less important, except in the fire insurance division, in which a new classification into three groups, according to list price, has been adopted in order to give effect to the somewhat surprising results indicated by the experience. Here the low-priced trucks and the most expensive trucks both exhibit a favorable experience, while the middle-priced trucks show the highest cost. Some important reductions in rates are authorized for public liability and property damage on commercial cars.

"The readjustments now made will greatly simplify the automobile manual, and the new presentation of the rates ought to be very popular with the field force. In the new abridged manual all necessary rates and premiums for an individual car will be shown on one page.

"The general public can be sure that the new rate standards represent the very best possible terms, consistent with full protection service and security to the policyholder."

Reduction Averages 15 p.c.

The reduction — which averages about 15 per cent.—has been made by 70 companies through their central organization, the Canadian Automobile Underwriters' Association. There are many other companies in Canada not members of this association and already several of these have announced pending changes to correspond with rates of the tariff companies.

The following table shows the comparative costs of complete insurance for 1925 and at present in the district of Toronto. Incidentally it is pointed out that these rates are less than half the amount charged in most American cities, particularly Buffalo, which has a very high insurance rate.

$1,000 Closed Car, Insured for $750

	1925 rate.	Present rate.
Public liability	$13.00	$11.00
Property damage	9.00	8.00
Collision ($25 deductible)	45.00	36,00
Fire	5.25	3.75
Theft	15.75	15.00
Totals	$88.00	$73.75

$2,000 Standard Six—Closed, $1,800 Insurance

	1925 rate.	Present rate.
Public liability	$ 14.00	$12.00
Property damage	11.00	10.00
Collision ($50 deductible)	64.00	46.00
Fire	9.00	9.00
Theft	17.00	13.50
Totals	$105.10	$90.50

(If this car has standard locking device on transmission, reduce theft premium by 15 per cent.)

$5,000 Closed Car—Full Insurance

	1925 rate.	Present rate.
Public liability	$ 19.00	$ 17.00
Property damage	16.00	13.00
Collision ($50 deductible)	94.00	76.00
Fire	25.00	25.00
Theft	12.50	12.50
Totals	$166.50	$143.50

(If this car has standard locking device on transmission reduce theft premium by 15 per cent.)

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

Petty, of Great West, Heads Life Underwriters

At the annual meeting of the Life Underwriters' Association of Canada in Toronto last week the following were elected to office for the ensuing year:

Honorary president—J. J. McSweeney, London Life Insurance Company, Toronto.

President—A. L. Petty, Great West Life Assurance Co., Winnipeg.

First vice-president—Wm. May, Jr., Sun Life Assurance Co., Toronto

Honorary secretary—J. B. Hall, Sun Life Assurance Co., Toronto.

Honorary treasurer—S. C. Vinen, Canada Life Assurance Co., Toronto.

Chairman, Legislative Committee—W. Lyle Reid, Sun Life Assurance Co., Ottawa.

Chairman, Educational Committee, pro tem—J. G. Taylor, Mutual Life Assurance Co., Toronto.

Chairman, Publicity Committee—F. T. Stanford, Canada Life Assurance Co., Toronto.

Executive Council—R. M. Smith, North American Life, North Bay; H. B. White, Sun Life, Brockville; F. C. Morrow, London Life, London.

Advisory Board—Victor Archambault, Imperial Life, Three Rivers; A. D. Anderson, Aetna Life Insurance Co., Toronto; R. M. Currie, Imperial Life, Saskatoon.

Confederation Life Had Low Mortality Rate

Confederation Life Association's new business for the year 1925 constituted a record, amounting to $40,484,133, an increase of more than $6,000,000 over the previous year. This brings the total insurance in force at the close of the year to $206,717,691, being a net increase for the year of $22,236,889, or 55 per cent. of the amount written during the year.

Another record was broken in the surplus earned, the amount being $1,526,001, showing an increase over the preceding year of $88,336.

The total assets as at the 31st of December, 1925, amounted to $45,179,252, an increase over the previous year of $4,552,762. The association made payments to policyholders during the year amounting to over $4,000,000.

Death claims paid during the year, after deducting reassurances, amounted to $1,234,500, which was only 43.8 per cent. of the expected mortality.

Following are some changes in the field announced by the Metropolitan Life Insurance Co.: J. Arthur Aubry, agent at Saint Denis, Montreal, P.Q., has been appointed assistant manager at Saint Denis; Benjamin Eker, assistant manager at Saint John, N.B., has been transferred to McGill District, Montreal, P.Q.; Melmoth W. Marsh, agent at Saint John, N.B., has been appointed assistant manager at Saint John, N.B.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL
AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon and Calgary.

London Life New Policies Reached $64,000,000 Total

London Life in 1925 established the high water mark in new business of $64,052,000. The amount of insurance in force has reached the grand total of $211,000,000, represented by four hundred thousand policies.

On invested assets, chiefly real estate first mortgages and government and municipal bonds, an interest yield of 6.91 per cent. was obtained.

The surplus earnings are the largest in the history of the company. The company's free surplus on December 31, 1925, was $3,660,000 in excess of the requirements of the Dominion Insurance Act, after making full provision for profits to policyholders.

One of the features of the year was the introduction of a new series of policies in its industrial department, which contain the advantages of "ordinary" insurance on a weekly premium basis. At the annual meeting an announcement was made of the introduction of another new series of policies called the duplex, which will blend the advantages of both great systems of life insurance—participating and non-participating.

—And Still They Come

All world's daily records were broken when Axel W. Dahlquist, a Bellingham, Wash., salesman for the Equitable Life Insurance Co. of Iowa, wrote 147 applications for a total of $195,000. Report of the new world's record was received by telegram from Bellingham, Wash., by the home office of the Equitable Life in Des Moines.

Premiums on the sales amounted to $5,095.

Mr. Dalquist began working promptly at midnight, and continued until 10 o'clock next night. He roused several residents of the community from bed, and employed taxicabs, private automobiles and other means of communication to secure his prospects. No newspaper publicity was used.

Pacific Coast Fire Insurance Company has taken out a license to write accident insurance.

Excelsior Life Insurance has set its objective for 1926 at $17,000,00. In 1926, $14,000,000 was written.

Canada Life's Assets Now Are $194,000,000

Canada Life has added A. E. Ames and C. A. Bogert to its board. A further vacancy was created this week in the death of Adam Brown.

Further figures are available in the results of the Canada Life work in 1925, to supplement the review of last week.

The new assurances issued, including revivals, amounted to $139,416,911, which is considerably greater than the issued business of any previous year, exceeding that of 1924 by $12,285,655. The new paid for assurances, including revivals and increased policies, but excluding dividend additions, totalled $128,563,496, an increase of $23,034,651 over the corresponding figures of the preceding year.

The assurances now in force amount to $578,660,490, resulting in a gain of $92,980,714 over the total of last year.

The net income for the year from all sources was $30,126,854.52, exceeding the income of 1924 by $5,399,299.58.

Payments of $13,083,117.81 were made to policyholders. Assets now amount to $114,460,672.41, an increase of $11,253,023.14 for the year, the largest gain in the history of the company.

Measuring Insurance Buying Power in Areas

How can life insurance buying power be guaged? The question is prompted by the fact that a large United States life company has had prepared a map showing the insurance buying power of various sections of the country, to serve as a check on the production of the agency forces of the company. The map was prepared by the Life Insurance Sales Research Bureau. Early in 1925 the bureau selected six factors, the average of which for any county gives a close measurement of the sales of life insurance which may be expected from that community.

These six factors may be summarized as follows: The insurable population, or the number of native white males twenty-one years of age or over, excluding illiterates; the number of personal income tax returns; the number of personal income tax returns from people with incomes of $5,000 or more; the number of passenger automobiles; the value added by manufacture, or the difference between the cost of materials and the selling price of manufactured products; the circulation of certain periodicals. The average of these factors gives an index of the insurance buying power of any county.

Life Underwriters' Congresses in Many Canadian Cities

A series of congresses is being held throughout Canada by The Life Underwriters' Association during this month and next. Following are the dates:

London—January 21 and 22.
Saskatoon—February 4 and 5.
Calgary—February 11 and 12.
Vancouver—February 15 and 16.
Ottawa—March 1 and 2.
Montreal—March 4 and 5.
Halifax—March 8 and 9.
St. John—March 11 and 12.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agencies

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon.
Calgary, Edmonton Vancouver, Victoria.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY Secretary
W. H. HUNTER President
ALEX. STEWART Treasurer

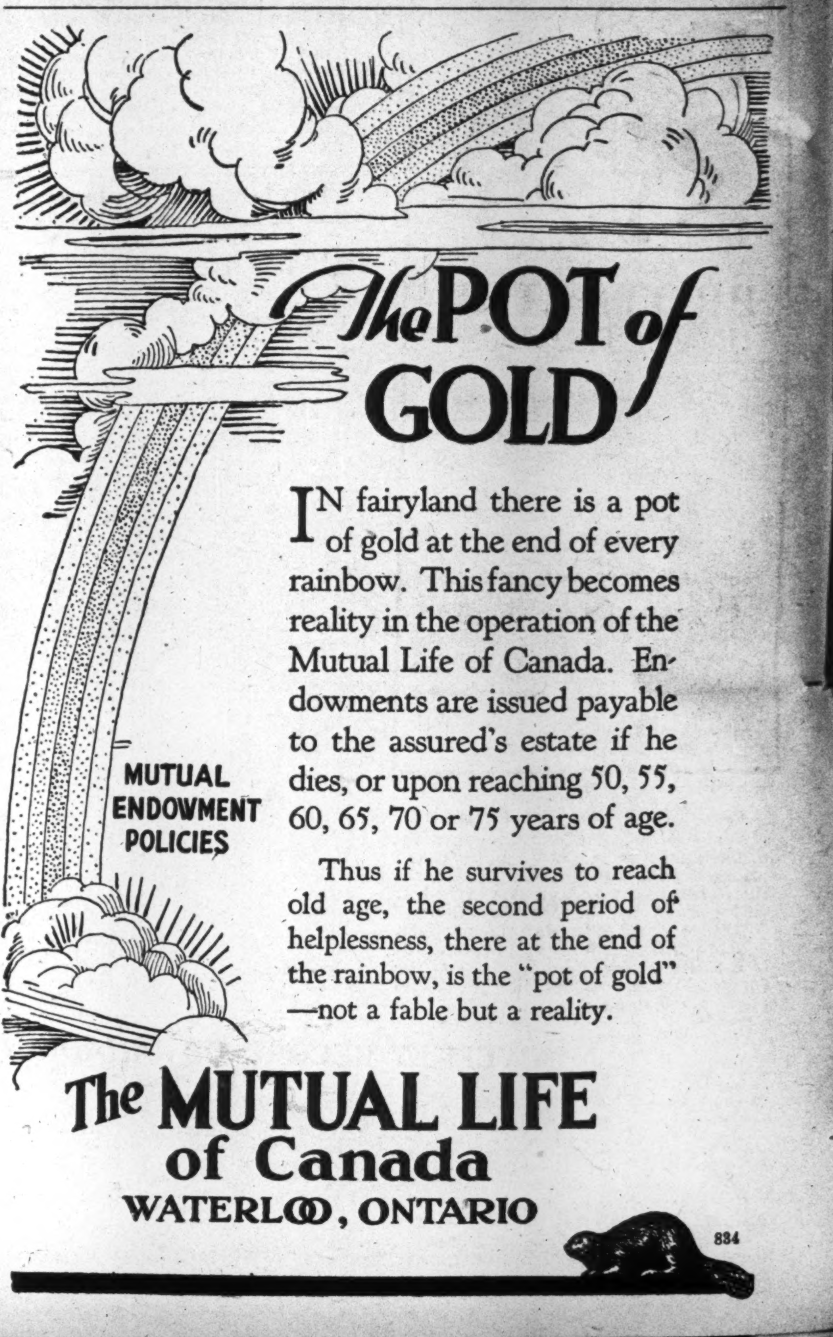
We Recommend a
6 P. R. POLICY (SIX PREMIUM RETURN)
—an exclusive Northern Life plan.
The Northern Life's 6 P.R. policy is one of the most popular 20 pay life policies in Canada.
For further information regarding this attractive plan consult your nearest Northern Life representative or write our Home Office.
The NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

MAKE LATER YEARS SECURE
In a world of uncertainties life assurance is one among the **sure** things. The Sun Life of Canada has paid to policyholders or beneficiaries since organization over two hundred million dollars.
Make sure of your comfort in later years and that of your dependents if you do not survive. There is a Sun Life Policy to meet all your requirements.
You can rest assured.
SUN LIFE ASSURANCE COMPANY
OF CANADA
HEAD OFFICE : MONTREAL

Is This Printed On Your Bill-Heads?
Hundreds of our policy-holders print or stamp across their bill-heads the words: "Our accounts are protected by American Credit Insurance."
Manufacturers and Jobbers, old and new, large and small, from the Gulf to the Arctic and Newfoundland to Vancouver, are glad that their book accounts are protected, and their collections efficiently speeded up by one of our policies of
American Credit Insurance
The Atlanta Woolen Mills, Atlanta, Ga. have carried American Credit Insurance since 1899. In acknowledging a loss payment of considerable amount, they write us: "Today's adjustment, and all previous ones, were made in a satisfactory manner."
New policy holders immediately appreciate the value of a policy. One in Toronto, Canada, writes: "We extend to you our sincere thanks for the assistance you have given us in collections. While it is only a short time that we have been associated with your company, we already feel that we have benefited thereby."
Full particulars furnished upon request.
CANADIAN DIVISION
The AMERICAN CREDIT-INDEMNITY COMPANY
of New York —— J. F. McFadden, President
R. J. MULLEN, General Manager for Canada.
Toronto Office, 1702-8 Metropolitan Bldg. Phone: Main 4316.
Montreal Office, Canada Cement Co. Bldg. Phone: Lancaster 3258.
JR-691

"Here's your check"—
Welcome words to hear soon after you have been burned out. We commence settlement often before the embers have cooled—"right after the fire"—when help is most needed. Ninety-three years of prompt settlement of claims is our record.
The British America Assurance Company of Toronto
Established 1833

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
The Northwestern Mutual furnishes:
Handsome savings to its policyholders
Writing Fire Insurance at Cost. Assets $2,604,266.13.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All Policies dividend paying and non-assessable.



The POT of GOLD
IN fairyland there is a pot of gold at the end of every rainbow. This fancy becomes reality in the operation of the Mutual Life of Canada. Endowments are issued payable to the assured's estate if he dies, or upon reaching 50, 55, 60, 65, 70 or 75 years of age.
Thus if he survives to reach old age, the second period of helplessness, there at the end of the rainbow, is the "pot of gold"—not a fable but a reality.
The MUTUAL LIFE of Canada
WATERLOO, ONTARIO
834

Current Events in Banking World

SAYS CANADA'S DEPRESSION DUE TO BANK SYSTEM

It is Argued That Branch Banking Kills Local Initiative

In the controversy for and against branch banking in the United States, which centres around legislative proposals to permit national as well as state banks to establish branches, the Canadian banking system is held up by both sides as an argument for or against the adoption of the Canadian idea in the United States. Following is an editorial in the American Banker charging Canada's present lack of prosperity and development to the branch banking system.—J. W. T.

At the present time one cannot pick up a Canadian newspaper without reading something about the disappointing results produced during the past year by Canada's immigration policy.

The net gain in immigration for the year over emigration from Canada, judging from preliminary figures, will show only a very small figure and a drop from 1924.

Ever since the war the Canadian government, the Canadian Pacific and other organizations have carried on energetic campaigns to attract settlers to Canada. To a limited extent they have succeeded in increasing the gross immigration into Canada, but the emigration of Canadians to the United States continues unabated and nullifies most of their efforts.

The admitted slow growth of Canada since the end of the war stands out more pronouncedly, because during this period the United States has put into effect a rigid policy of immigration restriction so that it would be natural to suppose that a large proportion of the European immigrants that formerly came to our shores would be diverted to other countries and that Canada would be able to obtain its share of them. Then again, the period since the armistice has been one of considerable hardships in Europe, a period where life in many European countries was far from either pleasant or easy, so that these conditions should have tended to promote emigration from Europe.

What is behind the slowness of Canada's growth? Has Canada too cold a climate? Yet a good part of Canada is no colder than Poland, Norway, or Sweden; but we do not see these countries pouring forth emigrants to Canada in the way they have done in previous decades to the United States, High taxation is another explanation that is given, and many bankers opposed to branch banking say that branch banking is the answer.

Unquestionably the answer to the query why Canada is not growing faster lies in a combination of causes rather than solely in one cause; but that branch banking, or rather the lack of independent banking, is a distinctly contributory result is the opinion of this paper.

In looking through the pages of the English financial papers one sees often the rather placid advertisements of the Canadian Immigration Bureau about the advantages of Canada; but advertisements by the Chambers of Commerce of different cities headed, "Come to Regina!" "Come to Victoria!" etc., are lacking. Why are they?

Let no one make any mistake, our local boosters have been one of the great forces in the upbuilding of the United States. We may sneer at them occasionally as Babbits, but we cannot deny the result that they have accomplished. Always in the forefront of all campaigns to better his home city or town has been the independent banker.

On the eve of his retirement from the service of the Canadian Bank of Commerce, the members of the staff presented H. M. Fitton with a sterling silver cigarette case, suitably inscribed, Mrs. Fitton being the recipient of a beautiful bouquet of roses.

Do Bank Managers Spend Too Much Time Hanging on to the End of a Golf Club?

In an address before the joint session of the Manitoba Livestock Association and the convention of the United Farmers of Manitoba at Brandon, R. J. Speers suggested that bank managers should be willing to go out into the country and examine the value of farm stock instead of hanging on to the end of a golf club.

Here we find, in satirical language, the much repeated charge that branch bank managers in rural communities are not competent, and do not endeavor to make themselves competent, to deal practically with the affairs of their farmer customers.

While undoubtedly there are cases where men have been taken from city offices and put in charge of branch banks in rural communities without a knowledge of, and with little sympathy for, the agricultural viewpoint, my belief, based on contacts with branch managers throughout the country, is that the majority of them know a great deal about the business end of farming and stock raising even though they do wear business suits—and perhaps occasionally golf togs—rather than overalls. It would be interesting to hear from some of the managers in the field, and particularly in branches on the prairies, in reply to this charge that they spend their time "hanging on to the end of a golf club." —J. W. T.

Big Increases in Bank Deposits; Little Change in Current Loans

Increases of $55,500,000 in demand deposits, $21,200,000 in savings deposits and $26,500,000 in advances from the Dominion government were the chief factors in increasing the funds of the Canadian chartered banks available for investment by approximately $120,000,000 during the month of November, as shown by the government returns.

Stock market activities during the month are indicated by the increase of $23,600,000 in call loans in New York, and $13,300,000 in call loans in Canada. Holdings of specie were increased by $10,000,000 and of Dominion notes by a similar amount, while the gold reserve was increased by $6,200,000. Deposits in foreign banks increased by $6,600,000 and holdings of foreign currencies by $11,100,000; loans on government securities were reduced by $10,000,000. Under the analysis of The Financial Post, immediately available liquid assets showed an increase of more than $56,000,000.

In view of the increase of approximately $120,000,000 in available assets during the month, the fact that current loans increased by less than $4,000,000 while loans abroad were reduced by nearly $8,000,000 indicates that there was rather a disappointing demand for funds for commercial purposes. On the other hand the point may be made—as it has been made recently by a high official of one of the banks—that the recent tendency to restrict commercial loans is not so much an indication of the policies of the banks in regard to new loans as it is an indication that the liquidation of frozen credits is progressing. A reduction of $640,000 in non-current loans is a significant fact in this connection.

As compared wtih a year ago the November statement shows an expansion of total assets of over $250,000,000, and the investments representing these funds show an increase of $122,000 in immediately available liquid assets. Current loans show a reduction of over $50,000,000, but call loans are $20,000,000 greater in Canada and $62,000,000 greater in the United States, while commercial loans abroad are increased by $42,000,000. Compared wtih a year ago demand deposits show an increase of $121,000,000 and savings deposits of $67,000,000, while deposits in foreign branches have increased by $17,000,000.

BANK STATEMENT FOR THE MONTH OF NOVEMBER

ASSETS

	November 1925	October 1925	Change	November 1924	Change
Immediately Available Liquid Resources					
Specie	$84,242,495	$73,781,778+	$10,460,717	$69,413,937+	$14,828,558
Dom. Notes	148,117,756	137,587,059+	10,530,697	161,944,919—	13,827,163
Gold Res.	70,660,332	64,460,332+	6,200,000	60,602,533+	10,057,799
U.K. Banks	11,261,433	12,803,931—	1,542,498	8,360,734+	2,900,699
For. Banks	60,415,454	53,778,639+	6,636,815	80,510,106—	20,094,652
For. Currency	35,351,448	24,154,805+	11,196,643	33,169,409+	2,182,039
Gov. Secs.	363,895,677	374,480,948—	10,585,271	300,058,853+	63,836,824
Call Loans, Ab'd	248,762,846	225,131,700+	23,631,146	186,614,354+	62,148,492
	$1,022,707,441	$966,179,192+	$56,528,249	$900,674,845+	$122,032,596
Loans and Securities Other Than Those of Canadian Government					
Pub. Ser.	$137,910,115	$138,182,722—	$272,607	$143,856,707—	$5,946,592
Rly. Secs.	57,170,623	60,423,239—	3,252,616	52,776,972+	4,393,651
Can. Call Loans	143,396,500	130,087,481+	13,309,019	122,537,415+	20,859,085
Current	909,977,043	906,249,140+	3,727,903	961,349,108—	51,372,060
Loans Ab'd.	220,067,285	227,968,359—	7,901,074	177,966,320+	42,100,965
Prov. Loans	29,899,151	25,405,745+	4,493,406	16,903,252+	12,995,899
Municipal	61,025,272	62,255,969—	1,230,698	59,915,820+	1,109,452
	$1,559,445,989	$1,550,572,655+	$8,873,334	$1,535,305,589+	$24,140,400
Other Assets					
Non-Curr. Loans	$9,786,915	$10,427034—	$640,119	$11,052,299—	$1,265,384
Real Estate	8,531,722	8,564,918—	33,196	8,234,366+	297,356
Mortgages	4,941,568	4,957,988—	16,420	3,865,553+	1,076,015
Premises	72,800,789	73,265,386—	464,597	71,993,950+	806,839
Lets. of Cred.	70,122,256	65,470,048+	4,652,208	66,091,694+	4,030,562
Loans to Comp.	5,353,319	5,610,999—	257,680	6,538,896—	1,185,577
Other Assets	3,641,678	3,530,991+	110,687	3,523,949+	117,729
	$175,178,247	$171,827,364+	$3,350,883	$171,300,707+	$3,877,540
Total	$2,757,331,677	$2,688,579,211+	$68,752,466	$2,607,281,141+	$150,050,536
Note Cir. Dep.	5,798,789	5,798,789	....	6,223,581—	424,792
Int. Bk. Bal.	236,821,521	188,342,853+	48,478,668	135,349,681+	101,471,840
Gross	$2,999,951,987	$2,882,720,853+	$117,231,134	$2,748,854,403+	$251,097,584

LIABILITIES TO THE PUBLIC

	November 1925	October 1925	Change	November 1924	Change
Liability to Government and Circulation					
Circulation	$183,511,367	$186,296,589—	$2,785,222	$176,561,298+	$6,950,069
Dom. Govt.	80,342,471	53,778,931+	26,563,540	25,401,242+	54,941,229
Prov. Govt.	15,825,106	19,567,865—	3,742,759	31,533,742—	15,708,636
Govt. Advances	7,000,000	15,650,000—	8,650,000	12,700,000—	5,700,000
Deposits by Public					
Demand Dep.	654,234,843	598,661,221+	55,573,622	533,299,560+	121,035,283
Savings Dep.	1,298,831,228	1,277,588,281+	21,242,947	1,231,861,390+	66,969,838
Total	$1,953,066,071	$1,876,249,502+	$76,816,569	$1,765,160,950+	$187,905,121
Foreign Dep.	359,675,989	345,462,690+	14,213,299	342,606,113+	17,069,876
Due to Banks Abroad, Etc.					
U. Kingdom	$6,151,813	$3,189,140+	$2,962,673	$8,068,657—	$1,916,844
Foreign	38,133,497	32,826,066+	5,307,431	33,742,852+	4,390,645
Bills Pay.	13,056,682	9,700,815+	3,355,867	10,557,867+	2,498,815
Lets. of Cred.	70,122,256	65,470,048+	4,652,208	66,091,694+	4,030,562
Other Liab.	1,585,325	1,374,762+	210,563	1,620,948—	35,623
Pub. Liab.	$2,728,470,577	$2,609,566,408+	$118,904,169	$2,474,045,363+	$254,425,142
Due Bet. Banks	16,805,186	12,179,809+	4,625,377	15,906,108+	899,078
Liabilities to Shareholders					
Dividends	$3,921,120	$1,985,988+	$1,935,132	$3,752,389+	$168,731
Reserve	125,441,700	124,441,700+	1,000,000	122,875,000+	2,566,700
Capital	116,164,660	116,164,660	......	121,909,560—	5,744,900
Gross	$2,990,803,243	$2,864,338,565+	$126,464,678	$2,738,488,420+	$252,314,823

SHAREHOLDERS HELD TO DOUBLE LIABILITY

1,700 Persons Affected by Judgment of Master of Ontario Supreme Court

Shareholders of the Home Bank of Canada which collapsed August 17, 1923, with liabilities approximating $10,000,000, must pay the double liability on their shares, if fully paid up, and also contribute the balance unpaid, as well as double liability, if not fully paid up, according to the judgment of Charles Garrow, K.C., Master of the Supreme Court of Ontario, acting as official referee under the Winding-Up Act. This decision, which is given after a hearing of the case extending over a period of two years, affects about 1,700 shareholders of the bank in various parts of Canada and elsewhere. The only exceptions to the master's ruling as to double liability are certain stock subscribers who had paid ten per cent. of the stock price but were allotted no stock and drew no dividends.

The capital stock of the defunct bank was $2,000,000, of which $1,960,000 was reported as paid up. At a conference some time ago, the liquidator, G. T. Clarkson, reported that forty of the smaller shareholders had contributed to the extent of their double liability.

Proceedings to compel shareholders of the bank to contribute to the extent of their double liability under section 125 of the Bank Act of Canada were commenced January 12, 1924, when summonses were issued against the shareholders to show cause why they should not be added as contributories to the assets of the bank. "Contestations" were fyled by 350 shareholders and the cases were grouped into the one on which judgment has been given. The decision will be appealed to a higher tribunal.

Four main grounds of defence were put forward by counsel for shareholders. They were as follows:

First—That the Home Bank of Canada was never legally authorized to commence business, and, in consequence, was not entitled to accept deposits; that, disregarding claims of depositors there are assets sufficient to meet the claims of other creditors, and, that, consequently, the double liability need not and should not be resorted to.

Second—That the statutory conditions upon the performance of which the certificate is to issue were not complied with. (This referred to the certificate of June 29, 1905, authorizing the bank to do business.)

Third—That there can in any event be no liability on the part of these defendants (shareholders) or of the class to which they belong in respect of two blocks of shares, one of 2,622, spoken of throughout as the Barnard shares, or Banque Internationale shares, and the other of 1,006, referred to as the Western Grain Growers' shares, because it is said that the Home Bank trafficked in these shares contrary to the provisions of sections 76 and 77 of the Bank Act.

Fourth—That subscriptions were obtained by misrepresentation. This ground of defence was set up by those who were referred to as western shareholders.

The referee summed up his judgment in the following paragraphs:

"My conclusion upon the whole case is that all the defences fail and that the defendants and those whom they represent for the purposes of these proceedings must have their names placed upon the list of contributories; those who have already paid for their shares in full, to the extent of the double liability on their shares, and, as to the others, to the extent of the balance unpaid on the shares, as well as the double liability."

Mr. Kerr, who has acted as accountant in the Bank of Toronto, at Kennedy, for the past two years, received word to report at the head office in Winnipeg. —Herald, Whitewood.

ALVENSLEBEN DRAFT MUST NOW BE PAID

Judgment for $10,000 Rendered by Tribunal Against Berlin Institution

Vancouver,—Judgment for $10,000 against Bankaus Werner Von Alvensleben has been given in Berlin, Germany, in favor of the defunct Bank of Vancouver. The claim came through a draft drawn by Alvo Von Alvensleben, suspected agent of the Kaiser, realty operator and capitalist of Vancouver, in the days before the war. The draft was drawn by Alvo Von Alvensleben on his brother, Werner Von Alvensleben.

Acceptance being promised by cable, the bank forwarded the draft to Berlin, where it arrived on Aug. 6, 1914, two days after Great Britain declared war. It was refused.

Placed in the hands of the Mixed Arbitral Tribunal, the claim came up a short time ago in Berlin at a sitting in conjunction with a German civil court. The judgment given by the German court was that cable acceptance of the draft made before the war broke out rendered the Berlin banking firm liable. As the draft itself had been destroyed, the Bank of Vancouver liquidator had to send photographs of the ledger entries made here to Berlin.

An English barrister presented the Vancouver institution's claim. Payment will be made through the Enemy Alien's Property department at Ottawa.

Starting life here as a salmon fisherman, Alvo Von Alvensleben in a few years became a millionaire real estate dealer and financier; but, like many others, he felt the effects of the slump in 1912-13 and '14.

At the outbreak of the war, he was abroad, presumably in Germany, endeavoring to raise fresh capital for his various enterprises, and, either being unable to return here or preferring not to, remained in Seattle on his coming back to this continent.

Many stories were told at that time of the supposed machinations of this "Prussian officer." It was alleged that he had been buying land in large quantities in B. C. on behalf of the German emperor; that he had located sites for fortifications and had laid concrete foundations for gun emplacements along the coast, and that it had been officially arranged in Germany that he was to be governor of the new German province of British Columbia—under a new German title, of course.

Staff Gossip

I. S. Moir, of the Bank of Montreal staff, has been transferred to the branch at Clinton.—Times-Advocate, Exeter.

* * *

W. E. VanNorman, manager of the Meaford branch of the Bank of Toronto, has been transferred to Owen Sound.—Sentinel, Tottenham.

* * *

M. Wagar, of the Standard Bank, has been transferred to another branch and Mr. McCullough, of Trenton, is taking his place.—Post, Deseronto.

* * *

Miss Blanche Hess, who has been a member of the Bank of Commerce staff at Champion for the last year and a half, has resigned.—News, Nanton.

* * *

Geo. E. Pinkett, accountant at the Imperial Bank, has been notified of his promotion to the head office inspection department at Toronto.—Reporter, Galt.

* * *

F. Pearson, Canadian Bank of Commerce manager at Salmon Arm, has been superannuated. He will be succeeded by Mr. Lyle, Grand Forks manager.—Sentinel, Kamloops.

* * *

F. V. Lumb, formerly assistant manager of the Canadian Bank of Commerce, King and Hughson branch, has been appointed to the position of assistant manager at the King and James office, which is the headquarters for the city.

J. M. Williamson, manager of the foreign exchange department of the Bank of Commerce in Montreal, will replace Mr. Lumb in his old position. He has many years of banking in big cities to his credit.

Mr. Lumb, prior to assuming the duties at the King and Hughson branch, was auditor of the bank.—Spectator, Hamilton.

Facing the Facts

Editor, The Financial Post:

Sir:—In the issue of The Post of the 8th instant under the heading "Will Canadian banks be forced to take steps to guide opinion," a statement is made as follows: "The Financial Post understands that during the past seven years probably not one of the Canadian chartered banks has been able to earn enough from its western branches to pay .01c. in dividends." Although it is impossible for me to make a definite statement, I am quite positive that this information is incorrect and is another instance of misleading information being given as regards the financial position of the West, and it assuredly does not tend to create a closer feeling between the East and the West.

In the middle of November last year, I was privileged to attend, in Winnipeg, the conference of boards of trade and chambers of commerce, and had the pleasure of meeting a large number of the eastern delegates, and, during one conversation in regard to the Hudson Bay Railway, three eastern men made the statement that had they been given true information in regard to this matter in the East, they would have had a different opinion on this situation and, they further stated, they intended returning to their respective boards of trade with a recommendation that support be given to the West's request.

I appreciate these remarks have no connection with the subject which is mentioned in the foregoing paragraph, but I have cited the circumstances as a matter of showing the West are frequently misrepresented by the eastern press.

As any thinking man, who is unselfish enough to be working for the good of Canada as a whole, will admit a spirit of co-operation and harmony is necessary if the country is to show the development and advancement which is due with the excellent prospects we have, but such articles as I have drawn to your attention are not likely to foster this spirit.

Yours truly,

Manager.

Selkirk, Man., Jan. 13.

The statement to which objection is taken was made on the authority of the general manager of one of the country's biggest banks. He is in a much better position to judge of the facts than any individual manager would be.

The Financial Post has never consciously printed anything to the detriment of the West, or any other section of Canada, but facts which should lead to a better understanding should not be resented simply because they may not be flattering.—Editor.

Old Bank Building to Become Cold Storage Plant

The United Farmers of Ontario, through their co-operative company, have purchased for $57,000 the building at the corner of Duke and George Sts., Toronto, owned by Christie, Brown & Company. It is planned to spend approximately another $50,000 turning it into an up-to-date cold storage plant. This increases the U. F. O.'s real estate holdings in Toronto to about $100,000.

The building now purchased by the U. F. O. was about a century ago the Bank of Upper Canada, and the methods of construction of those days are indicated in the fact that to-day there is hardly a crack in the structure.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	Jan. 15, 1925	J'n. 14, 1926
Halifax	$2,884,344	$3,978,564
St. John	2,481,952	2,799,431
Moncton	709,292	904,123
Sherbrooke	669,829	770,087
Quebec	6,737,962	5,558,569
Montreal	97,686,687	103,963,581
Ottawa	6,498,466	5,655,988
Kingston	586,949	612,844
Peterboro	768,873	721,825
Toronto	94,664,896	92,254,489
Hamilton	4,048,120	4,281,307
Brantford	917,636	895,500
London	2,939,229	2,306,589
Kitchener	967,390	982,252
Windsor	2,605,664	3,198,534
Total, East	$224,147,282	$228,883,669
WESTERN CITIES	**Jan. 15, 1925**	**J'n. 14, 1926**
Ft. William	$ 588,428	$ 664,471
Winnipeg	45,438,062	46,577,738
Brandon	528,647	483,275
Regina	3,633,638	4,654,945
Moose Jaw	1,109,798	1,176,091
Saskatoon	1,397,945	1,970,938
Prince Albert	322,002	358,156
Medicine Hat	266,991	257,203
Lethbridge	498,787	645,009
Calgary	7,512,084	8,429,402
Edmonton	4,346,682	4,716,709
N. W'minster	495,063	623,322
Vancouver	13,721,846	10,211,952
Victoria	1,945,270	1,949,439
Total, West	$81,805,253	$82,718,640

Return of the Chartered Banks of the Dominion of Canada, November 30, 1925

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	46,237,916	47,248,521	....	3,504,335	169,415,181	363,867,697	80,718,431	2,675,933	1,407,713	3,233,794	520,510
Nova Scotia	15,524,010	5,813,222	....	333,293	35,906,314	115,617,446	34,624,383	2,094,848	32,163	1,365,916	1,504,997
Toronto	8,405,841	195,193	....	107,897	32,014,013	52,241,659	....	1,649,092	234,316	1,165,180	1,136,812
Provinciale	3,930,348	330,735	....	212,737	6,352,998	29,659,389	....	....	....	8,978	......
Commerce	29,495,211	7,606,664	....	3,140,353	141,781,608	216,926,773	50,402,028	672,915	3,554,323	15,431,839	1,987,408
Royal	41,496,573	13,777,749	....	4,294,424	164,849,475	268,457,047	190,298,836	1,673,149	264,851	14,197,097	7,827,741
Dominion	7,245,630	1,746,461	2,500,000	337,839	28,884,024	58,704,373	2,106,321	2,345,307	102,144	1,211,448	78,248
Standard	7,104,070	2,040,083	4,500,000	219,420	21,625,897	47,698,849	....	2,566,384	324,755	817,675	966
Can. Nationale	12,541,594	820,968	....	1,715,133	20,793,123	81,139,985	1,525,990	590	217,198	480,465	......
Imperial	10,455,077	684,065	....	1,917,735	30,485,526	62,569,169	....	3,126,968	14,350	202,745	......
Weyburn Security	1,075,097	78,810	....	41,940	2,126,684	1,948,841	....	....	....	18,360	......
Total	183,511,367	80,342,471	7,000,000	15,825,106	654,234,843	1,298,831,228	359,675,989	16,805,186	6,151,813	38,133,497	13,056,682

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	14,051,552	611,865	1,506,704	29,916,700	29,916,700	794,833,558	31,175,000	12	1,665,020	22,802,445	41,424,086	47,961,932
Nova Scotia	5,257,608	27,976	3,984	19,500,000	10,000,000	247,606,165	15,000,000	16	1,356,966	9,307,366	9,873,707	16,180,277
Toronto	1,159,929	183,438	151,433	7,000,000	5,000,000	110,644,807	10,000,000	12	826,253	439,179	5,620,184	8,406,430
Provinciale		128,006	70,936	1,500,000	3,000,000	45,194,130	5,000,000	9	......	153,916	340,390	4,318,788
Commerce	12,274,350	......	804,395	20,000,000	20,000,000	524,077,870	25,000,000	12	5,146,017	16,477,000	29,498,000	30,388,665
Royal	30,059,988	......	1,232,405	24,400,000	24,400,000	787,229,343	30,000,000	12	1,308,499	11,926,544	24,587,339	42,771,599
Dominion	5,659,087	464,993	384	7,000,000	6,000,000	124,386,262	10,000,000	12	766,070	2,147,000	4,265,000	7,728,154
Standard	259,969	169,000	5,363	2,900,000	4,823,400	95,055,835	5,000,000	12	456,998	864,392	3,309,652	7,126,675
Can. Nationale	843,087	......	140,533	5,500,000	5,500,000	131,218,670	10,000,000	10	96,613	856,525	3,182,805	13,995,444
Imperial	556,686	......	4,343	7,500,000	7,000,000	124,516,668	10,000,000	12	271,818	924,149	7,256,531	10,882,917
Weyburn Security	......	......	640	225,000	524,560	6,039,935	1,000,000	5	62,464	19,509	57,005	1,090,772
Total	70,122,256	1,585,278	3,921,120	125,441,700	116,164,660	2,990,803,243	152,175,000	..	11,956,718	65,918,025	129,414,699	190,851,653

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stock	Call loans in Canada
	$	$	$	$	$	$	$	$	$	$	$
Montreal*	32,588,763	42,700,750	4,034,568	774,028	75,406,067	145,427	13,447,084	96,185,733	39,052,672	4,280,123	13,518,391
Nova Scotia	9,327,084	6,932,711	1,226,203	1,895,160	16,683,939	......	2,533,883	34,551,825	10,939,790	14,083,600	18,993,426
Toronto	438,930	6,660,730	592,850	77,667	8,107,338	......	3,364,713	19,103,644	7,263,852	3,608,908	6,601,261
Provinciale	154,282	1,797,278	625,986	78,600	2,115,591	2,158,640	242,309	4,880,785	1,345,992	2,327,345	9,971,870
Commerce	14,868,827	22,929,641	2,286,155	1,999,637	31,908,441	44	16,233,517	58,500,743	28,121,416	10,643,902	22,972,158
Royal†	21,897,150	42,567,682	4,265,518	29,931,586	51,730,422	315	27,921,970	82,245,403	28,407,242	16,630,772	33,814,538
Dominion	2,143,022	4,942,454	1,134,740	149,021	7,697,218	33	2,109,672	16,518,681	5,428,505	2,306,465	9,828,245
Standard	946,870	4,055,857	609,765	83,398	7,083,542	......	1,234,895	14,507,562	3,405,340	2,060,614	12,396,020
Can. Nationale§	912,050	7,607,618	1,082,450	143,757	5,880,240	690,956	1,218,473	20,763,523	7,354,583	959,809	7,245,824
Imperial	946,454	7,865,411	1,121,405	216,607	7,784,179	794,390	3,304,187	15,989,787	6,581,409	59,743	8,054,767
Weyburn Security	19,063	57,624	42,520	1,987	74,246	1,538,333	66,184	647,991	9,314	209,342	......
Total	84,242,495	148,117,756	17,022,160	35,351,448	214,471,223	5,328,138	71,676,887	363,895,677	137,910,115	57,170,623	143,396,500

NAME OF BANK	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit *	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	142,684,197	223,742,380	30,532,140	24,648,357	2,717,344	875,049	1,365,026	12,150,000	14,051,552	1,282,241	17,000,000	1,738,975	802,475	795,723,353
Nova Scotia	15,652,142	71,218,870	18,198,427	6,493,832	758,922	91,060	87,815	7,561,185	5,257,608	470,291	6,000,000	......	119,026	249,076,808
Toronto	......	43,753,187	......	3,305,556	236,523	......	64,911	3,321,747	1,159,929	249,267	3,055,866	......	......	110,966,887
Provinciale	......	14,967,689	......	1,160,848	202,204	199,415	100,940	1,731,919	......	155,800	700,000	......	302,091	45,219,594
Commerce	41,339,276	175,985,888	25,306,151	30,865,239	1,794,316	2,215,411	716,098	11,907,297	12,274,350	1,000,000	9,500,000	1,565,443	378,484	525,312,445
Royal†	38,691,331	179,015,309	143,397,982	11,839,332	2,527,576	2,558,945	955,176	15,618,072	30,059,988	1,440,000	20,000,000	2,048,901	913,556	788,478,778
Dominion	6,395,900	51,181,830	1,202,547	696,721	333,830	73,859	19,936	6,056,343	5,659,087	310,000	1,400,000	......	330,887	125,919,006
Standard	......	39,668,621	......	2,514,494	676,094	285,077	187,703	3,761,442	259,969	258,000	1,700,000	......	117,569	95,812,841
Can. Nationale§	......	58,316,131	580,212	2,288,620	185,428	1,406,899	802,289	5,504,941	843,087	283,419	7,200,000	......	213,371	131,483,689
Imperial	4,000,000	50,111,711	849,826	7,036,495	234,135	653,977	546,549	4,951,837	556,686	323,040	3,504,466	......	386,171	125,873,241
Weyburn Security	......	2,015,427	......	74,929	120,543	172,030	95,125	236,006	......	26,731	600,000	......	77,942	6,085,345
Total	248,762,846	909,977,043	220,067,285	90,924,423	9,786,915	8,531,722	4,941,568	72,800,789	70,122,256	5,798,789	70,660,332	5,353,319	3,641,572	2,990,951,987

**Of this deposit, $18,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, JANUARY 14, 1926.

DOMINION BANK HIGHER DEPOSITS BETTER PROFITS

Improved Liquid Position Shown in Bank's Annual Report

Moderately increased net profits are shown by the Dominion Bank in the annual report issued this week. A most satisfactory feature of the annual exhibit was an increase of close to $500,000 in total deposits, nearly all of which is accounted for by the gain in interest-bearing accounts. Further improvement in the liquid position of the bank is shown. The bank's holdings of Dominion, provincial, municipal and other securities increased by approximately $3,500,000 to $25,284,126. Total assets are shown at $127,933,136, as against $122,539,333 at the end of the preceding year.

Profits for the year, after deducting charges of management and making provision for bad and doubtful debts, stood at $1,156,840, an increase of approximately $13,000 over the preceding year.

Following are comparative figures from the balance sheet:

LIABILITIES

	December 31st, 1924	December 31st, 1925
Capital	$6,000,000	$6,000,000
Reserve Fund	7,000,000	7,000,000
Bal. forward	900,124	964,298
Div. pay. 2nd. Jan. 1925	180,000	180,000
Bonus, 1%, pay. 2nd Jan., 1925	60,000	60,000
Div. unclaimed	886	72
Total liab. to shareholders	14,141,010	14,204,370
Notes in circ.	6,684,596	7,117,396
Adv'nces Finance Act	4,300,000	....
Demand Deposits	19,515,760	19,942,148
Savings Deposits	71,862,525	76,285,014
Bal. due Banks in Canada	2,100,288	2,628,403
Bal. due Banks else.	1,218,938	1,204,407
Bills payable	24,937	70,075
Lets. of cred.	2,145,816	5,888,697
Other Liab.	545,459	592,623
Total Public Liab.	108,398,322	113,728,766
	$122,539,333	$127,933,136
ASSETS		
Specie	$2,157,911	$2,124,660
Dom. Notes	10,982,524	10,346,995
D'p. Cent. G'ld Res.	800,000	1,200,000
Notes of other Bks.	859,840	773,100
Foreign Curr.	126,104	167,869
Cheques	8,882,788	8,567,251
Bal. due Bks. in Canada	7,906	15
Bal. due by Bks. else	3,136,209	2,938,405
	$26,953,285	$26,118,296
Govt. Secs.	14,574,325	17,085,344
Public Secs.	4,725,489	5,280,475
Other Secs.	2,367,910	2,918,305
Call Loans in Can.	x 15,227,000	x 15,558,056
Call Loans else...	2,712,091	4,530,707
	$66,560,102	$71,591,187
Curr. L'ns.	45,625,862	43,085,679
Curr. Loans else...	1,157,721	498,012
Lets. of cred.	2,145,816	5,888,697
Real Estate	90,263	71,913
Non-Curr. Loans	347,038	279,884
Bank Prem.	6,038,084	5,937,823
Note cir. dep.	328,860	314,650
Mortgages	21,034	20,286
Other Assets	224,551	245,002
	$122,539,333	$127,933,136
xInc. in Call & Short L'ns in Can. are Advances against Grain & flour, aggreg...	10,409,977	7,377,599

Mr. Harris States Stand on Canadian Navy Policy

That he was misquoted by the Manitoba Free Press as having urged at Winnipeg that Canada contribute $30,000,000 a year to the British navy is explained by Sam Harris, president of the Navy League. This statement was referred to in The Financial Post. Mr. Harris is proposing, however, that a tax of 2 per cent. be placed on imports and exports—an additional tax to those now being borne by business—to raise such, the sum referred to to build and man a Canadian unit of the British navy.

Mr. Harris is for a Canadian navy, but qualifies this proposal by pointing out that the construction would have to be of the most modern type and the equipment of proven reliability. Canadian officers and men would only be preferred if they had the required experience.

Rents Easier in Montreal; Plenty of Space of All Kinds

MONTREAL.—In this city, practically all real estate leases, and this includes offices, apartments, residences and retail stores, date from May 1. Consequently at this time of the year, it is possible to make some estimate of the price trend of rentals in this city.

There are many vacancies in the leading office buildings of Montreal; this has already caused the law of supply and demand to operate, with the result that prices have been reduced, possibly to the lowest level possible. For 1926, the demand for offices appears to be a little stronger than a year ago, but with so many vacant offices, it seems highly improbable that this would be reflected in any increase in rentals.

Store Rentals Also Steady

Generally speaking, retailers in Montreal are renewing their leases readily enough and, although in the better and more valuable sections of the city, the demand for retailers' space is excellent, rents look like being about the same as last year. Rents, too, will probably remain steady in retail sections somewhat removed from the centre of the city.

There has been a rapid increase in the number of apartment houses in Montreal and some of the new apartments are not being filled rapidly. Apartment rents, in many instances, have fallen within recent months and, if anything, it is possible that more landlords will reduce rentals.

Old Apartments Down

However, it is reported that those buildings which have unoccupied space are filling up fairly satisfactorily. The increase in apartment space in Montreal may be reflected possibly in the rentals of the older apartments, but it is also being felt by some of the landlords of the larger and more old-fashioned houses in the city. It is possible to rent or purchase these older houses at very reasonable rates.

There is a certain trek from houses toward the modern apartment. It is thought that this may be felt possibly in a little lower house rentals during next year, but probably this would apply only in a few instances.

Compared with the beginning of 1925, the demand for all forms of space, apartments, offices, residences or retail stores, is improved. Taken by and large, it is felt, therefore, that rents will not move downward very much this year, with the possible exception of a few apartments. But there is very little chance indeed of any kind of an upward movement.

The Foreign Exchanges

Conducted by S. J. ZACKS.

Sterling has again asserted its strength, continuing on its ascent and reaching the highest levels that have prevailed since last summer. On Wednesday, sterling cables closed at $4.86 11/16 in Toronto. This movement is regarded by many as a reflection of a more hopeful view of things in England, as well as a more stable outlook in Europe genrally. At present central European short term borrowing is responsible for much of the flow of funds to London and the strength of sterling. Continental balances are kept in London rather than New York, this is done in order that advantage may be taken of the higher interest rate obtainable in London pending use. A new factor making for the bullishness on sterling has appeared in the reports of the American purchases of English coal. At any rate, New York sentiment on sterling is decidedly bullish, bills on London are scarce, and some suggest that the gold export point will soon be reached.

In discussing the prospects of foreign loans with a prominent Canadian bond expert, I was informed that a large volume of foreign loans would undoubtedly reach the American and Canadian markets. It is expected that there will be fewer political and more economic loans. Improvement in the economic conditions of Europe will tend to encourage loans for the benefit of industries. This factor, needless to say, will have a great bearing on the foreign exchanges in 1926.

Interest in the French franc by the speculative public has subsided since the reassembling of parliament; there has been, however, extensive institutional speculation on the franc. Concerted efforts by banks, with definite aims in view, have helped to dissipate other speculative forces.

The Japanese yen continued strong, closing at $.4496 in Toronto. There was heavy buying of the yen during the whole week, in spite of the fact that Japan's period of heaviest imports is just beginning. Many, looking far into the future for the return to parity in anticipation of this event, are buying Japanese internal securities.

Canadian funds in New York held up well, though premiums closed at 3/16 on Wednesday. Considerable interest has been shown in Brazilian funds which have strengthened greatly.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Jan. 14	13-64	3-16	7-16	11-32
Jan. 15	13-64	3-16	13-32	3-8
Jan. 16	7-32	13-64	13-32	3-8
Jan. 18	1-4	7-32	7-16	13-32
Jan. 19	1-4	7-32	7-16	13-32
Jan. 20	7-32	5-32	7-16	3-8

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 14	4.83⅝	3.72¾	4.03¾
Jan. 15	4.85 11/16	3.77¾	4.03¾
Jan. 16	4.85 11/16	3.76¼	4.03¾
Jan. 18	4.85 13/16	3.76½	4.03¾
Jan. 19	4.84 15/16	3.73¼	4.03¾
Jan. 20	4.85⅞	3.76¼	4.03½

OTHER EXCHANGES

Par		Close Jan. 13	Close Jan. 20
19.30	Italian	4.05	4.05
23.82	German	23.86	23.85
32.45	Brazilian	14.83	15.18
19.30	Belgium	4.55	4.55¼
49.85	Japan	44.00	44.96

FIVE YEARS RECORD

1920 THE CONFEDERATION LIFE ASSOCIATION 1925

HAS		From	To	Increase
INCREASED	Total Insurance in Force	$135,624,925	$206,717,691	52%
INCREASED	Total Assets	27,213,246	45,179,252	66%
INCREASED	Total Income	6,488,307	10,796,685	67%
INCREASED	Amount Paid Policyholders and Beneficiaries	2,461,857	4,094,239	66%
INCREASED	Total Held and Paid for Policyholders and Beneficiaries	62,459,214	97,336,711	56%

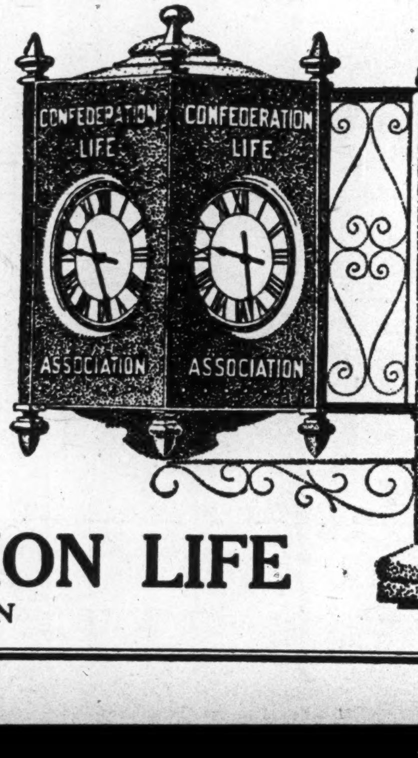
NEW INSURANCE WRITTEN AND REVIVED IN 1925, $40,484,133

The Association has Greatly
IMPROVED AND STRENGTHENED
its
HOME AND FOREIGN FIELD AND OFFICE ORGANIZATIONS
and issues
The most improved, modern forms of contract suitable to all requirements

- Peerless Policies
- Improved Guaranteed Dividend Policies
- Improved Accumulation Policies
- Monthly Income Policies
- Family Policies
- Endowment Policies
- Pension Bonds
- Annuities

LIBERAL BENEFITS

- Double Indemnity Accident Benefit
- Total and Permanent Disability Benefit
- Guaranteed Extended Insurance
- Guaranteed Automatic Premium Loan
- And many others


CONFEDERATION LIFE ASSOCIATION
CONFEDERATION LIFE ASSOCIATION

CONFEDERATION LIFE
ASSOCIATION

EQUALIZATION OF FREIGHT RATES FACES COMMITTEE

Protest Fails and All Rates Must Now Be Adjusted

From Our Own Correspondent.

OTTAWA.—The railway commission will have to face the problem of equalizing rates throughout Canada under the handicap of having granted in advance a material reduction to Saskatchewan, Alberta and British Columbia. This is the effect of the decision announced here in the export grain rate case. The board has had committed to it the question of fixing fair rates all over the Dominion. The instructions under which it is acting specifically refer to the Maritime Province grievances; and they refer also to the problem of traffic through the Pacific ports. The decision now made, fixes rates on a part of the traffic through Pacific ports, but leaves the eastern problem and the greater part of the western problem unsolved.

Last June the government gave instructions to the railway commission to take up the problem of equalizing railway rates all over Canada. At that time there was before the board argument in a case for lower exports on grain moving from the prairies to the Pacific ports. This case had been argued in Vancouver in November, 1924, and had been heard by Hon H. A. McKeown, chairman of the board and Hon. Frank Oliver, a commissioner. Early in September these two members of the board issued—in spite of a protest of the other three members of the commission then in office—an order directing the railways to file westbound export rates on grain on the same mileage basis as then in force on grain moving eastbound from the prairies. The order was appealed by the Montreal corn exchange, by the railways and by several western bodies, including the government of Manitoba. On the other hand, the governments of British Columbia, Alberta and Saskatchewan put in a plea in favor of the order. The appeal was argued late in September and judgment reserved. A decision has just been given out this week, and the commission is evenly divided with the result that the appeal fails.

Protest is Entered

The protest against the order reducing export grain rates westbound, which was made last September, came from Assistant Chief Commissioner McLean and Commissioners Boyce and Lawrence. They based their protest on the ground that the matter at issue was included in the equalization rate case and should be dealt with only as part of the general problem. The protest was made in a formal resolution of the board, and was voted for by the three commissioners just named, while the chairman and Mr. Oliver formed the minority. This resolution of protest cited the order-in-council conveying the instruction for the general investigation, and pointed out that that order-in-council explicitly referred to "traffic westward through Pacific coast ports, thus, of necessity, involving the question of rates on export grain."

The protest of the majority of the railway commission was over-ruled by the chairman on the ground that as he and Mr. Oliver had heard the case, they alone constituted the board for the purposes of that case. The railways accordingly filed reduced tariffs on westbound export grain and these have been in force since the middle of September.

Unless, therefore, there should be an appeal to the Supreme Court and that body should give relief, the order reducing rates on westbound export grain remains in effect, and thus the board enters on the wider investigation of rates all over the Dominion with the reduced westbound export grain rate facing it as an accomplished fact. Of course, even accomplished facts are open to reconsideration; but their presence is regarded generally as necessarily increasing the difficulty of the problem before the board.

The Canadian Converters' Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of One and Three-quarters Per Cent. (1¾%) has been declared on the Capital Stock of this Company, for the quarter ending January 30th, 1926, payable February 15th, 1926, to Shareholders of record at the close of business, January 30th, 1926.

By Order of the Board.
THOS. M. BARRINGTON,
Secretary-Treasurer.
Montreal, January 20th, 1926.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Monday, the FIRST day of MARCH next, to Shareholders of record of 30th January 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 19th January, 1926.

McIntyre Porcupine Mines

LIMITED
(No Personal Liability)
DIVIDEND NO. 29.

Notice is hereby given that a dividend of five per cent. (5 per cent.) on the issued Capital Stock of the Company will be paid on the 1st day of March, 1926, to shareholders of record at the close of business, February 1st, 1926.

By order of the Board,
BALMER NEILLY, Treasurer.
Dated at Toronto, January 15th, 1926.

THE A. W. CHASE COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2% quarterly dividend on the 8% preferred stock of this Company has been declared for the quarter ending February 1st, 1926, payable February 10th, 1926, to shareholders of record February 1st, 1926.

By order of the board,
W. J. STONE,
President.
Toronto, Jan. 18th, 1926.

A—DO YOU NEED CAPITAL TO expand your business?

WE ORGANIZE, REORGANIZE, incorporate and finance industrial business propositions anywhere in Canada. Expert staff of financial men at your disposal. Stock selling campaigns managed. Bank references.

LOCATORS, INDUSTRIAL FINANCIERS, 331 Bay, Toronto.

INSPECTOR WANTED

A strong Canadian Life Insurance Company requires an experienced Insurance salesman and organizer as Inspector for the Western half of Ontario, with headquarters in Toronto.

Salary and expenses. This opening offers an unusual opportunity to the right man. Address in confidence,

Box 10, Financial Post,
153 University Avenue, Toronto, Ont

To the Trade

Notice is hereby given that The Barrett Company, 40 Rector Street, New York, N.Y., exclusive licensee of Canadian patent No. 135,250 for Process for Producing Felt Making Materials, is prepared to satisfy any reasonable demands of the Canadian public for the manufacture in Canada of felt making materials produced according to the process defined by said patent.

COST ACCOUNTING

You are invited to consult W. S. Ferguson, C.A., at Shaw Schools, 46 Bloor West, Toronto, by letter or otherwise, about this course. Dept. P, Phones—RAndolph 0830-0831.

NOTICE OF DIVIDEND Famous Players Canadian Corporation, Limited

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st of February, 1926, has been declared upon the First Preference Stock of the Company, payable the 1st day of March, 1926, to shareholders of record, Saturday, the 30th day of January, 1926.

By Order of the Board.
N. L. NATHANSON,
Managing Director.
Dated at Toronto, this 18th day of January, 1926.

THE BANK OF TORONTO

Dividend No. 178

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the FIRST day of March next to Shareholders of record at the close of business on the 15th day of February, 1926.

By order of the Board.
JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
January 6th, 1926.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 27th January, 1926, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 20th November, 1925.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and fifty cents ($2.50) per share for the quarter ended the 31st December, 1925, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, the 20th day of January, 1926, at 4 o'clock p.m., payable on Monday, the 1st day of February, 1926.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.
January 13th, 1926.

The Canadian Bank of Commerce

Dividend No. 156

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending [illegible] February, 1926, payable at the Bank and its Branches, on and after Monday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1926. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 15th January, 1926.

The Standard Bank of Canada

Quarterly Dividend Notice No. 141

A Dividend of Three Per Cent. (3) for the three months ending 31st January, 1926, being at the rate of Twelve Per Cent. (12) per annum, has been declared payable on the 1st of February, 1926, to Shareholders of record as at the 16th of January, 1926.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 24th of February next, at 12 o'clock noon.

By Order of the Board,
N. L. McLEOD, General Manager.
Toronto, December 23rd, 1925.

CANADA CEMENT COMPANY LIMITED

Preference Shareholders
Dividend No. 64

Notice is hereby given that a dividend of 1¾% for the three months ending December 31st, 1925, being at the rate of 7% per annum on the paid up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of February next to Preference Shareholders of record at the close of business January 31st, 1926.

H. L. DOBLE, Secretary.
Montreal, January 15th, 1926.

SALE OF POPLAR TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including the 8th of February, 1926, for the right to cut the Poplar Timber, approximately one-half million cords, on certain areas in Townships within the Districts of Sudbury, Cochrane and Temiskaming, subject amongst other conditions to the manufacture of same into finished products within the Province of Ontario.

FURTHER PARTICULARS may be obtained upon application to the undersigned or Deputy Minister of Lands and Forests.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.
TORONTO, January 4th, 1926.

CITY OF REGINA SASKATCHEWAN

5% Debentures

$254,360.00

Sealed Tenders endorsed "Tenders for Debentures" will be received in the Office of the City Commissioners, City Hall, Regina, Sask., up to eleven o'clock A.M., Tuesday, January 26th, 1926, for the purchase of the following five per cent. Sinking Fund Debentures:

Purpose	Amount	Term	Dated
Pavement	$178,000.00	15 Yr.	January 1st, 1926
Boulevard	5,300.00	15 Yr.	" " "
Domestic Sewer	9,400.00	30 Yr.	" " "
Concrete Walk	25,700.00	15 Yr.	" " "
Water Main	10,960.00	30 Yr.	" " "
Cenotaph	25,000.00	30 Yr.	October 1st, 1925
	$254,360.00		

Alternative bids are requested:

(1st) On the basis of both principal and interest payable in New York, Montreal, Toronto, Winnipeg or Regina at the holder's option.

(2nd) On the basis of both principal and interest payable in Montreal, Toronto, Winnipeg or Regina in Canadian Currency only.

Tenders may be for the whole or any part of the issue.

The bonds are a direct obligation of the City at large and are issued in Coupon form with interest payable semi-annually and principal at date of maturity.

Provision is made for the registration of principal only.

The right is reserved to reject any or all proposals.

Further information will be furnished upon application.

D. D. ROSS,
City Treasurer.

Featuring Porcupine Mines

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-24 PUBLICATION OFFICE: TORONTO, JANUARY 22, 1926 Special Section 17-24

THREE NEW MILLS TO SOON ADD TO PORCUPINE OUTPUT

Paymaster, March and Ankerite Are Rapidly Nearing Completion

Porcupine to the end of 1925 has produced $161.774.509. Dividends paid total $47.155,298.

The possibilities of Porcupine today are marvelous. New sections are coming forward rapidly.

In the Timmins section there are three producers, Hollinger, McIntyre, Vipond. Dome is some distance to the east. Consolidated West Dome is producing and just more than paying expenses. Thus in the old-east gold camp of the North there are as yet only five producers, three paying dividends.

Numerous property owners in the main producing section are playing what is to be termed a "waiting game." Only one operation, outside the three producers, is making an effort to develop a mine; Coniaurum, Rochester property, west of Hollinger, has been developed to a considerable extent, but is tied, presumably over a conflict of interests between London and New York.

Dome and consolidated West Dome Lake are producing in the eastern part of the camp. Three more, Paymaster, Ankerite and March Gold promise to join the producers by spring. These three Delora Township enterprises will put this section of the camp in the ascendency in the number of producers, but materially behind in the matter of tonnage. Paymaster and March Gold will vie with each other as to which will have its mill going first, though it looks as if Paymaster will win out. Ankerite will follow about May 1.

Many are Involved

Coniaurum shapes up strong as Porcupine's next large mine among the development operations. Its outlook is promising.

Interested in its success are Newray Goldale and Armstrong-Booth, and Coniagas. The first three provided the properties which made the consolidation financed by Coniagas. the fourth company, which organized the fifth company, Coniuarum, to carry on the operation. For a time a sixth big company, Kerr Lake, which had an option and spent considerable money on Goldale, was interested, but it later sold out to Anglo-French Explorations. It took over Goldale stock at 15 cents.

Whitney Tp. has been a disappointment. For a time there were a number of operations going on in that section. Keona, La Palme, Three Nations, Davidson, Gold Reef and others. There is a strong feeling that a real effort has not been made on many of these properties. Gold Reef shipped some ore and then diamond drilled. What results were achieved no one seems to know, the property has been idle for years. Davidson was a set back for this section. It is not believed that the end is yet. There is a fine mining plant and the Canadian interests in the venture say they will resume sooner or later.

Delora to Front

Main interest for the moment centres on the Delora section in the Dome area. Paymaster, financed by Boston interests seems to have a successful venture. It has the earmarks today of what was thought to be the Dome's first fate, a large low grade proposition. Dome got away from the low grade and developed patches of high grade in the sediments. Paymaster will start with a 200 ton mill but definite plans have been made for 1,000 tons. March Gold, another U.S. capital venture, financed in Buffalo, has its mill near completed and seems to be in a position where it can be regarded as a big proven mine, much the same as Paymaster. Ankerite the third mill builder in the section, developed a material tonnage of good ore in its south claim, but has been opening up such good ore to the north that its outlook has materially changed. It will have a 200 ton mill.

The early spring will see the above three mills going.

A promising new section is that south and west of Vipond, known generally as the Bristol-Cascallan-Denton area. Long neglected, pioneers, by the force of their discoveries, have focused the attention of the large operators on their holdings and the coming year may result in a boom.

Ontario Gold in 1925 Just Under $30,000,000

Porcupine Increase Was $2,200,000, While Kirkland Lake Added $2,000,000 to Its Production — December Proved Good Month

	1925	1924
Porcupine	$24,430,231	$22,135,534
Kirkland Lake .	5,460,951	3,446,632
Total	$29,893,296	$25,669,262

The above figures are the preliminary estimate of Ontario's 1925 gold production as prepared by Ontario Mines Department. The increase over the previous year is $4,200,000, divided almost equally between the two camps. These figures bring Porcupine's total production up to $160,029,526 and Kirkland's, $19,229,179.

December production picked up in both camps. In Porcupine the increase was due to a larger tonnage being handled, and almost came up to the August high mark. July was the big Kirkland month and December fell just $4,000 short of it. The last month's tonnage fell below November but the output was materially higher.

The figures:

Porcupine		
Jan.-June (6 mos.)	1,485,033	$11,950,025
July	248,817	2,163,463
August	263,119	2,267,095
September	238,744	2,109,360
October	237,163	1,893,651
November	242,797	1,874,809
December	249,874	2,171,828
Total	2,965,547	$24,430,231
Kirkland Lake		
Jan.-June (6 mos.)	183,079	2,628,608
July	32,812	515,322
August	32,371	434,109
September	26,375	451,912
October	34,923	460,149
November	35,212	459,353
December	34,880	511,498
Miscellaneous	131	2,114
Total	379,652	5,460,951
Total for 12 mos.	3,345,330	$29,893,296

(Content of ore per ton)

	Nov.	Dec.	Yrs. av.
Porc.	$ 7.71	$ 8.69	$ 8.26
Kirk.	13.04	14.66	14.38

C. W. DOME PUTTING DOWN 300-FT. WINZE ON ITS NO. 3 VEIN

Shoot Has Been Opened up for 300-ft. on 1050 Level —May Enlarge Mill

An important development is now going on at Consolidated West Dome Lake. Work on No. 3 vein on the 1,050-ft. level revealed a length of 800-ft. of ore. In some places it was 13 feet wide with an average of six feet. The grade through the mill showed better than a $10 average. The plan is to sink a winze, 500 feet from the shaft to the 1,300-ft. level, and if the vein opens as well as on the 1,050 there well be 300 feet of backs. The winze is being sunk in ore and it is expected that the ore taken out will pay for the sinking charge.

The shoot on No. 3 as first opened up showed nothing like the length it now has. It pinched out after 250 feet. Later work was done on one of the branches with the result that after a short distance it came in as strong as ever. In the meantime the vein was drifted on at 750-ft. level and it has just been cut into on the 900. It is also the intention to go after it on the 600.

Little or nothing has been done on Nos. 1 and 2. The latter was cut on the 750 and the former was cut by diamond drill in a couple of places and it showed up well.

Contrary to reports, the shaft on the property is three compartment all the way down and is capable of supplying ore to a 250-ton mill, which will likely be the plan if the deeper development stands up.

So long as the company continues to get the class of ore now being mined there will be no trouble about finances, as a fair profit is being made on operations. Of course provision might have to be made to handle a heavy outlay on new milling equipment.

Porcupine Mines Have More Veins and Not Such Hard Rock as Kirkland

What is the difference between the ore depositions of Porcupine and Kirkland Lake? This question is frequently asked. J. B. Tyrrell, Kirkland Lake Gold, recently put the facts very well.

Porcupine: Hollinger and McIntyre, he said, possess a wide mineralized area, in which there exists a large number of veins. These are in the sheared rock, and as a rule have no definite walls. Values fade out into the country rock and each vein is worked just so long as it pays.

Kirkland Lake veins are in faults with strongly marked walls—at all events, on one side, often fading away into the country rock on the other side. As a rule the veins are richer than in Porcupine, but there are fewer of them.

The rock in Kirkland Lake area is harder and the veins are more clearly defined than those of the Porcupine and more continuous.

VIPOND'S GROSS 1925 PRODUCTION OVER HALF MILLION

Good Progress Made During the Year Opening up New Ore

Vipond's gross production in 1925 was $555.906. This compares with $582,925 for the company's last fiscal year and $379,075 the year previous.

The company in the 12 months handled 62,294 tons with an average recovery of $8.92, compared with $9.66 for the fiscal year ending in June. The monthly figures issued regularly by Dr. Bell, managing director, show many ups and downs in the monthly value. February with $9.96 average being the high and October, $7.63 the low.

The figures:

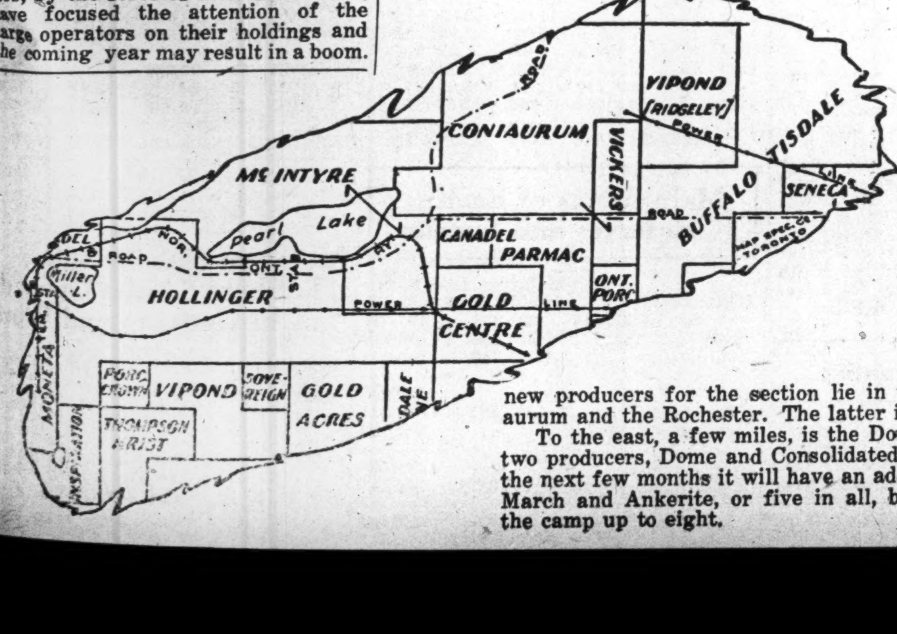
	Tons	Value	Average per ton
January	5,204	$ 44,600	$8.57
February	4,737	47,200	9.96
March	5,195	50,100	9.64
April	4,601	40,506	8.80
May	4,990	49,300	9.88
June	5,120	46,200	9.02
July	5,361	48,000	8.95
August	5,379	46,000	8.55
September	5,254	46,000	8.79
October	6,204	46,000	7.63
November	4,893	46,000	9.40
December	5,356	46,000	8.77
Total	62,294	$555,906	$8.92

The year was quite favorable for Vipond from an exploratory campaign and during the next month or so its progress should be watched closely. It is believed by many that the mine is now getting to the point where ore can be made fast and at several different points. Perhaps the best idea on the outlook can be had from Dr. Bell's report to his principals of the Huronian Belt Co., of London, when he went into some detail of the progress made. He said that ore of excellent grade had been indicated by diamond drilling, particularly in the central system below the 1,000-ft. level. These results were so encouraging that the Main or North Thompson shaft was deepened, a new station cut, and a crosscut driven towards the central system at the 1,200-ft. horizon.

Other extensions of the central system have been indicated by the diamond drill and these are now being developed, with satisfactory results, by excavational work at the 500-ft. and 600-ft. levels. Within the last few weeks important discoveries have been made in bore holes in the southern part of the western section. These discoveries appear to indicate both an upward and a downward extension of No. 8 Vein, which at the 400-ft. level. contains a shoot of ore more than 100 ft. long, averaging $20.00 over a width of approximately 4 ft.

The ore reserves as at July 31st, were 250,000 tons, value $2,400.000. The diminution between these figures and those given last year is more

(Continued on page 21)



Porcupine's Main Producing Section to Jump Output

The above map shows the main producing section of Porcupine Camp. Vipond, Hollinger and McIntyre are seen in a row. All three are increasing their output—Vipond to 300 tons, Hollinger to 8,000 tons, while McIntyre is contemplating a 3,000 to 4,000 ton mill. The possibilities of new producers for the section lie in the development of Coniaurum and the Rochester. The latter is closed at present.

To the east, a few miles, is the Dome-Delora section. It has two producers, Dome and Consolidated West Dome Lake, but in the next few months it will have an additional three, Paymaster, March and Ankerite, or five in all, bringing the producers of the camp up to eight.

PAYMASTER EXPECTS MILL WILL HANDLE 400 TONS BY JUNE

Will Start on 125 Tons Next Month — Plans Are Formulated for 1,000 Tons

The first milling unit on Premier Paymaster property of an approximate daily capacity of 125 tons, is scheduled to start in operation about February 15. The mill building itself is capable of housing the necessary equipment for almost 400 tons per day and the primary crushing machinery is also of about 400 tons per day capacity. The company is starting with 125 tons per day to permit a careful check up on the equipment and the physical lay out of machinery. The expectation is within thirty days after this unit starts to bring the mill up to approximately 400 tons daily capacity. The management expects the 400 ton mill to be in operation sometime in June of this year.

Our engineers assure us, says J. A. Frohock, vice-president and managing director, that our ore reserves are capable of running a mill of 400 tons daily capacity for several years. Reports from General-manager Clement about two weeks ago stated that the underground was now ready to feed the mill any day, so that apparently nothing remains but to finish installing the mill equipment, complete the trestle from the headframe to the rock house and turn on the power.

A Large Producer

While we do not wish to make any advance statements which might sound over confident, says Mr. Frohock, the management is most sanguine as to the speed with which the Paymaster mine will forge ahead and come to the front as a large producer. We have spent five years and a very large sum of money in developing the Paymaster mine. We have endeavored to secure as able technical talent as money could hire. We have bought equipment designed for long service. We have spent many thousands of dollars in ore testing and metallurgy before designing our mill. We have assembled together in our mill machinery which the combined experience of some of the ablest men in the business told us was the most efficient.

1,000 Tons Daily

He adds: During the period of approximately five years we have been developing the Paymaster property we have never once shut down or slowed up in any way. The company has never borrowed money and has always paid cash for everything it bought. We make no secret in saying that our engineers tell us that they believe the amount of ore which we will have developed at our property by the last of this year will justify increasing the capacity of our mill to 1,000 tons per day, and our financial plans are being made with this object in view.

The last report from the resident manager said:

"As all faces in the porphyry advisable to work are in ore, and as it seems inadvisable to continue mining and placing the ore on the ore dump to be again handled, I decided to suspend all underground work until about the time the mill is ready to start. We can easily supply the first unit from the development work alone, and stopes are so nearly ready to break out that we can be ready for the 350-ton unit before the mill is ready to handle it."

Gold Hill to Test Out Boston Creek to 1,000-ft.

The future of the Boston Creek area as a camp of the greatest possibilities is involved in the present programme of development for 1926 by Gold Hill Mines, Limited. The results of operations carried on during 1925 were highly important, not only to Gold Hill, but to the industry as a whole. The work to the 400 level showed large consistent ore shoots, with values permitting of high returns even when the somewhat narrow veins were taken into account. In addition to this the work gave definite recognition to the finding of the main fracture of the Boston Creek area on Gold Hill and other properties.

The work about to resume at Gold Hill, with larger equipment, will carry the shaft of Gold Hill to the deepest point in Boston Creek district. As the geology is similar to that of Kirkland Lake, it will be most interesting to watch the results down to the 1,000 foot level, the objective.

The vein at the deepest point so far reached has a width of approximately five feet. The widening has been gradual.

Porcupine Leaders at a Glance

Increased dividends are freely discussed for Hollinger. The mine is earning them, and the company's liquid position is strong. There has been no official hint of any increase. There may be something at the annual meeting. We don't know where the information came from, but F. G. Oke & Co. in a recent market letter make an interesting suggestion to clients. They say, "It isn't a question of how valuable is the Hollinger property, but one of increased production and larger dividends, plus privileges to stockholders whereby they can become shareholders in the Waite-Montgomery—Mt. Timmins' big copper-gold property in northern Quebec.

McIntyre will not make a great deal of progress this year, that is of a spectacular nature. It will sink its new shaft and prepare a lot of ore for easy and quick mining, and may decide on its milling plans. It is still difficult for anyone to forecast how big a mine McIntyre will be.

Dome won a much heavier tonnage during the past year from its mill. It handled a slightly lower grade ore and earned its dividend. Good fortune is said to have favored it in Dome Extension ground. Little has been said of late of the effort in the basalt.

Vipond had a good year from a milling standpoint, and from an exploratory also. Much new ore has been put in sight. The mill capacity is being doubled.

Coniaurum seems to be earmarked a mine. The detailed progress report published in this issue is encouraging.

Consolidated West Dome is operating on a profitable basis. The shaft is being carried down a couple of levels, and if No. 3 vein stands up as it did on the 1,050, it will put a much different complexion on the enterprise.

Paymaster mill is being rushed along. There is a big tonnage of ore ahead.

March Gold will quickly follow Paymaster into production. It is a Buffalo enterprise of which little is known.

Ankerite will have its mill ready by May 1. The shaft is being deepened.

Mine	3 mos. 1925	6 mos. 1924 Value	Per Ton	6 mos. 1925 Value	Per Ton	12 mos. 1924 Value	Per ton	9 mos. 1925 Value	Per ton	12 mos. 1925 Valuex
Dome	1,058,543	2,126,678	8.99	2,137,002	8.12	4,285,422	8.68	3,237,795	8.16	4,366,026
Hollinger	3,632,954	6,208,317	7.64	7,542,897	7.89	13,353,171	8.05	11,863,625	8.70	16,274,353
McIntyre	867,437	1,676,929	8.86	1,748,101	8.79	3,579,401	9.17	2,633,630	8.67	3,590,000
Vipond	146,864	305,326	13.77	286,009	9.58	595,006	11.38	422,660	9.27	559,311
C. W. Dome	80,488	....	....	137,268	7.85	60,424	7.45	228,923	8.33	320,578
N. Hawk	47,457	179,491	5.64	98,748	4.97	256,855	6.70	146,054	5.02	193,360

xEstimate.

ANKERITE MILL WILL BE READY FOR MAY FIRST

Is of Steel Construction, the First of Its Kind in North

Expectations are that the 200 ton mill on the Ankerite property in Delora Township, Porcupine, will be in operation by May 1st. The initial capacity will be 200 tons and the initial crushing capacity 500 tons.

Work on the construction of the mill is progressing splendidly. The steel frame work and crusherhouse have been completed. The mill building is well under way. The construction of the mill of steel framework, is the first of its kind in the North.

The new three compartment shaft is now down 500 feet and diamond drilling is continuing. Recent development from the drill core has been the picking up of a new north ore body, which it is intended to proceed to develop immediately.

The operation has been progressing steadily. First work on the property was done on the southern claim and a substantial tonnage of ore, justifying a mill, was opened up. A long cross cut was run to the northern part of the property, where the company's holdings were two claims wide, and here, after considerable work, the management concluded that they had their real mine.

It is understood that since then the company has added to its holdings.

Ankerite is being developed by the Porcupine Gold Fields Development and Finance Company. This is a Canadian organization, financed by two of the largest South African companies, and National Mining Corporation and new Consolidated Gold Fields. F. R. Weeks, an engineer of wide experience, is Canadian manager.

North's Farm-Town Residents as Mine Pioneers Make Big Profits

Among the first to get in on Cobalt silver camp were residents of New Liskeard, the farming centre of the north. They financed Hudson Bay Mine and it paid them 25,000 per cent. on the par value of the stock, though for the most part it only cost them 10 and 15 cents a share.

Ed. Horne, New Liskeard, found the Horne, now Noranda's principal holding. He was financed by New Liskeard people. This is the first venture in Quebec, and those who backed Horne could, if they wanted to take profits to-day, sell out at an advance of 26,000 per cent. on their original investment.

PORCUPINE GOLD OUTPUT OF 1923 UP THREE MILLION

Hollinger and West Dome Contributed to Increase

Porcupine increased its gold production in 1925 by $3,000,000 to over $25,000,000, and its dividend disbursements by $1,204,000 over 1924. It should do even better in 1926.

Hollinger and West Dome were mainly responsible for the increased 1925 production and Hollinger shared honors with McIntyre in the dividend increase. Dome maintained a fairly even keel as did Vipond. The output of the latter should materially jump this year as the mill capacity is being doubled. It may or may not get into the dividend column in 1926.

Consolidated West Dome has been a pleasant surprise. Perhaps the outstanding feature of this operation is the way that the production per ton is measuring up to the average of the Porcupine camp. It is expected to do better.

Night Hawk continues a disappointment. What its future will be is hard to say at the moment though it is known that certain plans that involved new control have been seriously considered.

Nine months' tonnage record, dividend record for 1925 and estimated production figures follow:

Tonnage	Six Months 1924	Six Months 1925	9 Months 1924	9 Months 1925
Dome	236,500	263,600	483,400	396,600
Hollinger	812,419	955,686	1,659,475	1,432,979
McIntyre	189,065	198,865	390,497	303,715
Vipond	22,158	29,847	53,301	45,481
C. W. Dome	......	......	8,114	27,475
Night Hawk	31,817	19,856	38,326	29,103

RESERVES MAY NOT SHOW AN INCREASE

McIntyre is Doing Waste Work on Deeper Levels at Present

Will McIntyre's 1926 annual report show a tremendous increase in ore reserves? The fact that the mine has been in a position to open up five new deep levels for some time now has led many to look for such.

The fact is that McIntyre's ore reserves may show a decline. The mine is not trying to make ore, but is being put in shape, so that ore can be made with the least possible effort, if the ore is there.

Present operations are designed to allow a maximum of operation with a minimum of effort when the proper time comes. The proper time will likely be when the new shaft is down to 3,000-ft. and the company is ready to consider a larger mill.

For this reason, work being done at depth in the main shaft area, is in waste. The necessary crosscuts are being run and rock taken out. The only ore being touched is that encountered when the crosscuts intersect a vein. When the time comes to handle ore from this section, there will be no waste to clog the rapid breaking and hoisting of ore. The new shaft has now been carried past the 2,000-ft level and connected up with the old workings at 1,875. Below the 2,000-ft. level, it is the intention to cut stations at 125-ft. intervals in the new shaft.

Don Rouyn Acquires More Malartic Claims

From Our Own Correspondent.

MONTREAL.—The Don Rouyn Gold Mines has made some promising strikes on its No. 7 group of claims. This group is situated in Malartic township. Four new veins, all carrying free gold, have been opened up, and the results obtained have been such as to warrant the company staking an additional 200 acres adjacent to this group of properties. Don Rouyn now owns 600 acres in this section.

Recently the company received and turned down a cash offer for some of its property known as the No. 2 group; this property is situated to the south of Noranda. Work on this group will be carried on this winter.

Work on the No. 1 group, owing to weather conditions, was suspended at the end of October; it will be resumed immediately as the results obtained during the autumn proved most satisfactory.

SINK 500-FT. SHAFT

Bennett Gold Mines, operating at Sesekinika, has completed the erection of its mine plant and equipment, and is now calling for tenders for a 500-ft. shaft. The annual meeting is called for Jan. 29.

Porcupine's Record of Dividends Paid to Date

	To end 1924	1925	Total to date
Dome	$ 6,925,420	$1,906,668	$ 8,832,088
Hollinger	26,152,000	4,378,800	30,530,800
McIntyre	4,414,409	798,000	5,212,409
Inactive	2,580,001	....	2,580,001
	$40,071,830	$7,083,468	$47,155,298

McIntyre-Lake Shore, Two Outstanding Gold Producers

Possibilities of McIntyre and Lake Shore Mines Are Not as Yet Known

Former is Trying to Find Out How Big the Mine is Going to be — Latter Still Seeking Knowledge of Richness of Its Ore

Can McIntyre and Lake Shore Mines be compared?

It is difficult. Really they cannot.

The writer has heard so many trying to compare them because of the somewhat nearness of the market valuation of the two, that he tried to lay each out side by side. They wouldn't go—but the effort revealed a lot of interesting figures on each mine that are worth passing on and worthy of the study of investors.

There seems to be one thing in common about the two operations—neither need be ashamed of its record.

Perhaps another thing is that both seem to be still nearer the prospect stage than the old set staid mine stage.

Both have great possibilities—McIntyre perhaps the greater—but the Lake Shore may fool us.

We say that they are nearer the prospect stage because in neither case has anyone any real idea of the possibilities past a certain point. No one can say what either will do at depth.

McIntyre is at 3,000 feet. It is going to sink its new shaft to 4,000 feet. What that fourth thousand feet will reveal, no one knows.

Lake Shore is down 1,000 feet. What will it get at 2,000 feet? Adjacent operations would indicate continued rich ore. Yes, but how rich?

Both companies still have ambitions. Lake Shore is going to be handling 500 tons soon. It had a heavy increase last year. It is doubtful if it will stop even at 500.

McIntyre is on a fishing expedition. It looks upon its present 1,000-ton mill as a testing operation. When they get down and find out what nature laid by down below the 3,000 feet level, the operation will be elevated to its proper position. This may mean 3,000 to 4,000 tons daily.

McIntyre's last report refers to seven different veins being mined or developed on twelve levels, with 2,375 as the deepest, but the shaft was down to 3,019 feet, and stations had been cut for five new levels, or seventeen in all.

Lake Shore has two veins opened on five levels down to 1,000 feet.

McIntyre shows a total ore reserve of $12,428,903, but can add to them very rapidly by opening the new levels. Broken ore reserves were valued at $2,119,052, average value per ton, $9.60.

Lake Shore shows only broken reserves and these are valued at $2,148,260, average value $25.16 per ton. But President H. Oakes intimates that between 200 and 1,000 ft. levels the reserves are $20,000,000

On the basis of reserves, Lake Shore has a value of $10 per share. McIntyre $15.50 or ten and three times par respectively.

One cannot do much with past performances. Everything is changing so rapidly. However, the figures are interesting.

McIntyre has been producing 13 years, and has put $22,000,000 new wealth in circulation recovering that amount from 2,347,135 tons or at the rate of $9.40 per ton.

Lake Shore has been producing 12 years. 225,311 tons producing $4,978,022 or at the rate of $21.45 per ton.

Thus Lake Shore ore is 2 1/3 times as rich as that of McIntyre.

McIntyre values from the time the operation was carried out of the porphyry have carried on very consistently. There have been many reports that the mine has got richer at depth. The production record of the mine hardly supports this contention. Rich shoots of considerable length have been traced consistently from level to level. One thing, however, that depth operation has achieved, is to open up new veins that were not found on upper levels.

Some have expressed the opinion that with a 3,000 to 4,000 ton mill McIntyre's average recovery will suffer. This seems doubtful, as the opening up of the lower levels on a large scale doesn't mean that a greater tonnage will be taken out of a given place in the future than was the case in the past but that ore will be taken out of more places or faces at one time than heretofore.

Indications are that as its tonnage mounts Lake Shore will for a time at least produce an ore of slightly lower gold content than was the case with the smaller tonnage. This is due to the milling the considerable tonnage of lower grade ore that was found near surface. It is not impossible, however, that Lake Shore may run out of low grade, though this is not probable, as it is generally found that values dwindle in the extreme walls of the drift. Right now little low grade exists in the 800 and 1,000 ft. levels.

It might be reasonable to suppose that McIntyre's cost would be the higher because of the numerous veins that must be opened up while Lake Shore has but two, but the contrary is the fact. McIntyre is much the lower. Lake Shore, however, may be expected to materially improve in this regard this year. New equipment installed is much more efficient and will cut into the high overhead.

A great deal of talk is going the rounds about the market position of Lake Shore and McIntyre. Some say they are selling too high, some too low. Some say Lake Shore will hit $15 and McIntyre optimists talk of anything from $30 to $50. Some sidelights on these are given elsewhere on this page.

McIntyre in 1925 earned 45 per cent. on its issued capital, Lake Shore 43 per cent. They paid $1 and 30c., or 20 per cent. and 30 per cent. respectively. At the present market the yield is 4.35 per cent. and 3.08 per cent. respectively.

From these figures it would seem that the market has discounted an awful lot of good news about each, and this is true, but there are indications that in the not distant future good news must come from each mine very fast.

In a word, the above earnings are figured after most liberal depreciation allowances and heavy development charges have been taken care of. For instance, Lake Shore only values its mining properties at $1,021,000 development and organization cost $201,127, while exhaustion provision increased $120,000, or 6c. on each share in 1925, stands at $820,000 or equal to 41 cents per share on the stock.

In addition there is an insurance reserve of $29,300 employees' benefit reserve $1,192, depreciation on the $948,055 plant of $262,245 and a surplus of 6 cents a share. Cash assets over liabilities equal about 18c. a share, so that hidden away in reserves, depreciation, etc., one can pretty well find Lake Shore's capitalization.

These heavy charges cannot continue, neither can heavy development charges and plant extensions. Soon the mine will settle down to a steady production. It will get to the point where one can with some degree of accuracy estimate earnings ahead, and by that time also there will have been this material slaughtering of costs.

About then Lake Shore's possibilities will be known.

McIntyre carries its mining properties and plant at $6,582,326 less depreciation reserve of $2,090,732, or a net of $4,500,000. This was materially increased last year by cutting down on investments and removing Plenaurum property to the fixed asset total. Investments in 1925 total $774,283, or $550,000 less than 1924. The total includes Blue Diamond and Canadian Coal Mines, $279,992, representing a conservative valuation on 50 per cent. of these two properties and $290,000 advance to Blue Diamond. Three-quarter interest in Platt Veteran claim adjoining McIntyre on the east is shown at $159,573, and other investments $44,716. The total is equal to close to $1 per share and is quite conservative. Reserves are equal to about $2.60 per share, surplus $4 per share, and current asets over liabilities another $250.

McIntyre will enlarge its mill so that heavy charges in this regard are to be repeated as well as the additional capital charges on the new shaft.

Possibilities for Shareholders

McIntyre pays 20 per cent. dividend or $1 per share, or 20c. on each dollar's worth of stock issued.

Lake Shore pays 30 per cent. or 30c. on each share of $1 par.

McIntyre hopes to handle 3,000 to 4,000 tons, or 2½ to 3¼ times its present tonnage. Millheads or the average recovery per ton, should hold up to almost the present level. Costs should fall—profit per ton treated should increase. Profit per ton treated in 1925 was $4.04. On 3,000 tons this would work out at $5.07 per $5 share as compared with $2 in 1925. It may be that lowered costs will about balance any decline in value per ton if lower grade ore is handled.

Lake Shore will go along for a time at least on a 500 tons daily basis. The average for 1925 was 323. Profit per ton was $8.87. On 500 tons on a basis of 300 full days a year would be $1,329,950 or 67c. per share compared with 44c. in 1925. Lake Shore costs will steadily decline and it will be quite an easy matter to hold millheads around $18, so that profits of from $10 to $12 per ton should not be far away. At a profit of $10 per ton Lake Shore would earn 75c. a share on a conservative run of 300 days in a year.

Three-Year Profit and Loss Record of McIntyre

	1923	1924	1925
Oper. Earn.	$2,249,742	$3,029,178	$3,546,637
Oper. costs	1,167,644	1,615,453	1,742,628
Adm. exp.	166,873	172,879	184,872
Oper. profit	$ 915,225	$1,502,846	$1,619,137
Other Rev.	56,620	77,537	95,833
	971,845	1,580,383	1,714,971
Less—			
Taxes	52,677	91,914	96,084
Depreciation	179,658	295,628	365,120
Sundry chgs.	139,939	97,839	281,712
Dividends	546,042	559,639	798,000
Surplus	53,529	535,363	174,054
Brought for	1,638,422	1,795,615	3,137,489
Prem. of share sale	103,664	611,272	....
Plenaurum deal	.....	195,239	....
Surplus	$1,795,615	$3,137,489	$3,311,543

Principal Facts About McIntyre-Lake Shore

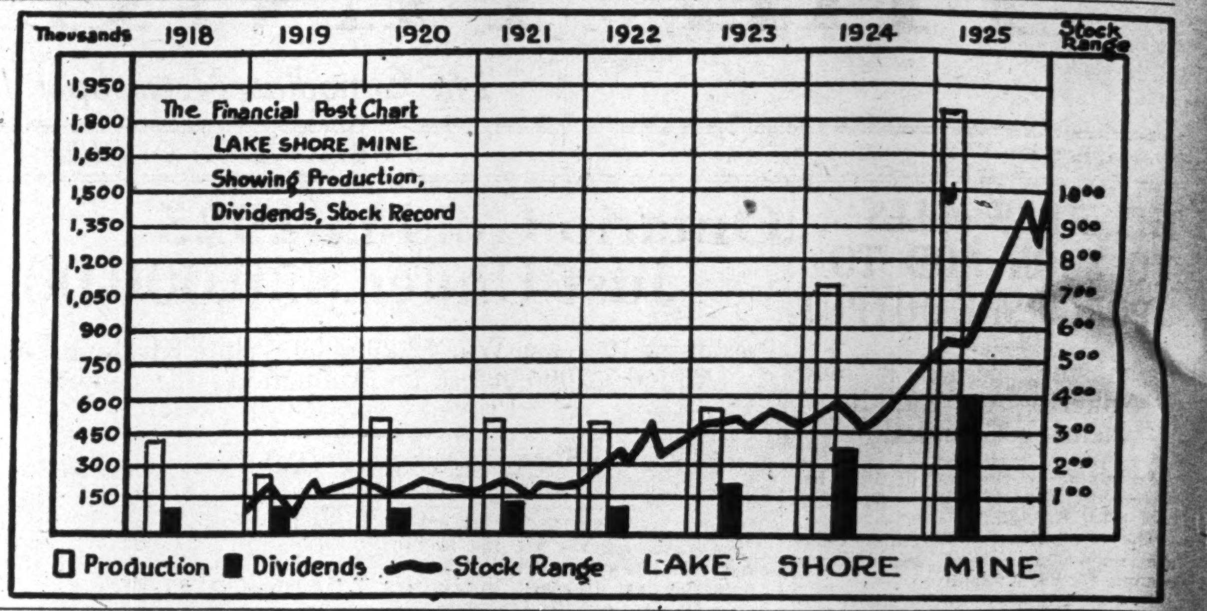
	McIntyre	Lake Shore
Capital	$ 4,000,000	$ 2,000,000
Issued	3,990,000	2,000,000
Par	5.00	1.00
Shares issued ..	798,000	2,000,000
Market price ...	22,70	9.80
Market value of mine	18,114,600	19,600,000
Tons treated ...	2,347,135	225,311
Recovery	22,060,227	4,978,021
Per ton	9.40	21.45
Dividends	5,212,409	1,620,000
Acreage	626	123

McINTYRE ORE RESERVES

	Tons	Assay	Value
Ore Reserves			
1923	858,504	9.92	8,514,800
1924	1,167,064	9.70	11,313,816
1925	1,348,283	9.20	12,428,903
Broken Ore Reserves			
1923	155,881	10.24	1,597,522
1924	182,184	9.90	1,813,557
1925	221,025	9.60	2,119,052

BANQUET ARGONAUT PRESIDENT

J. H. Rainville, president of Argonaut Mines, was tendered a dinner in Montreal by associates prior to leaving on a trip abroad. The outlook for the company was stated to be excellent, and its financial position strong.



Proving McIntyre and Lake Shore Mines Proved Mettle of Messrs. Innis and Oakes

McIntyre and Lake Shore mines are two pioneer efforts that must be credited with really laying the foundations for their respective camps. Also each mine reflects in its own way great credit on an individual, R. J. Ennis, McIntyre's general manager in one case, Harry Oakes, Lake Shore's president, in the other.

These are happy facts and make a comparison of these two distinctly different mines not only apropos but pleasant.

Ennis and Oakes, supplied the stick-to-it-iveness to put their ventures over when others would long ago have thrown up the sponge.

Ennis, still a young man in both years and ways—was brought here from Colorado to take charge of the McIntyre as a prospect. He was not responsible for raising the funds to develop the property—he was to see that it was spent judiciously. But the raising of the finances in those days of the super-skeptic, who knew there was no gold in the North, did not meet with clear sailing. For example, some of the Toronto dailies at that time told people not to buy McIntyre at 30c. Thus, whether there were funds on hand to buy powder, to pay hands and feed them—and men won't work long on an empty stomach—Mr. Ennis had to keep going—and he did. How he did it is a good story we will try and inveigle him into telling for The Post readers some day. But it was hard going, even when a small producing basis was reached. It is said that gold bricks from the McIntyre in those days were still warm when they were shipped.

Of course there were mining problems as well as financial. McIntyre people were told by engineers with anywhere from two to ten letters after their name, that their chances of making a mine lay in the porphyry. This advise was followed until the proposition was nearly wrecked and in desperation they tried something else. They had not been able to find anything better than about $5 ore. Ennis ventured out of the porphyry and below it found the now famous shoots that run up underneath the dipping tongues of porphyry. One can imagine that when he made this discovery that he had a grand and glorious feeling something akin to that of Earnie Craig, of the Tonapah, when just as he was about to throw up the sponge on the Walsh in Gowganda, he ran into a shoot of high grade silver.

Harry Oakes made quite a stake by the sale of his interest in Tough Oakes. He took a long time getting it as there was no end of litigation. Between court sessions he was able to get at the exploration of his claims some distance to the West of the Tough Oakes. But his own funds proved inadequate to prove up a mine. Then he shouldered the double burden, raising funds and spending them. Shares, which to-day command a market close to $10 went a begging at so many cents. There are lots of people holding Lake Shore stock today that cost them 10 and 15 cents, and not a few of the purchasers in those days said goodbye to their money when they paid it over.

Of course, as time went on and good ore started to put in an appearance, Mr. Oakes could have got lots of money, but he would have had to sacrifice his position and throw up not a little of the glory of owning his own proposition, for as is generally the case, he found that the big companies would finance him, after he had taken the big risk, but would only do so on condition that they got control.

Their offers were spurned.

The heart-aches are over now. Lake Shore shareholders' list shows 600,000 shares standing in President Oakes' name, which at the present market are worth $5,880,000. Not so bad for a prospector.

One can't find a soul in the North who will begrudge him a nickel of it.

Gross Earnings of McIntyre Are Higher, But Costs Have Kept Pace

McIntyre's gross earnings for the last quarter of 1925 got close to the million mark, the heaviest quarter in the mine's history.

Net earnings of $417,595 when added to the September quarter total of $372,611 makes a total of about $1 a share before depreciation, for the first half of the company's fiscal year. This falls below the total for the same period of 1924 and the answer or explanation is found in the high costs, which for the December quarter are the highest on record, due to the heavy expansion program. The quarterly reports show that in the calendar year 1925, the mines produced $3,590,083. The figures by quarters:

	Sept. 1924	Dec. 1924	Mar. 1925	June 1925	Sept. 1925	Dec. 1925
Gross recovery	$903,790	$885,570	$876,155	$881,121	$886,118	$946,689
Costs, includ. dev.......	463,475	459,079	476,822	528,122	518,794	539,178
Oper. earnings	440,315	426,491	399,333	352,999	367,324	407,511
Other revenue	20,371	24,726	24,122	26,613	24,041	21,972
	460,686	451,217	423,445	379,612	391,365	432,[illegible]
Less:—						
Tax prov.	32,313	29,579	19,119	15,072	18,754	14,887
Net earn. before deprec..	$428,372	$421,638	$404,336	$364,540	$372,611	$417,595

Profit and Loss Record of Lake Shore

Lake Shore	12 mos. to Nov. 30-21	6 mos. to May 31-22	19 mos. to June 30-23	12 mos. to June 30-24	12 mos. to June 30-25
Bullion produced	$460,186	$309,637	$833,665	$578,243	$1,812,006
Exchange profit	63,411	11,435	16,618	11,877	....
	523,597	321,072	850,283	590,120	1,812,00[illegible]
Other revenue	3,339	2,837	6,780	14,034	11,460
	526,937	323,909	865,988	604,154	1,823,469
Less mining costs	289,944	131,134	412,560	295,862	697,352
Administration	7,342	3,327	18,745	19,374	17,730
Depreciation	33,715	154,741	63,614	48,447	71,940
Dividend Exchange	14,213	......	......	......	......
	$345,213	$289,202	$494,919	$363,683	$787,022
Profit	181,724	169,167	371,069	240,071	1,036,447
Mine exhaustion	12,000	......	190,000	120,000	120,000
Taxes	10,000	......	12,800	14,675	57,712
Net profit	$51,724		$169.269	$105,796	$858,735

Two-Year Operating Record

LAKE SHORE

1924	1925	Total to date
24,225	96,838	225,311
578,243	1,812,495	4,798,022
23.97	18.72	24.45
1923	1924	1925
....	....	7.38
Tons	Assay None	Value Givenx
85.365	25.16	$2,148,260

McINTYRE

	1924	1925	Total
Tons treated	400,259	360,140	2,347,135
Value	3,546,638	3,291,178	22,060,226
Per ton	8.86	9.14	9.40
Costs	5.54	4.965	4.81
	Tons	Assay	Value
Reserves	1,348,283	9.20	12,428,903
Broken ore	221,025	9.60	2,119,052

xPres. Oakes intimates $20,000,000 reserves between 200 and 1,000 ft. levels.

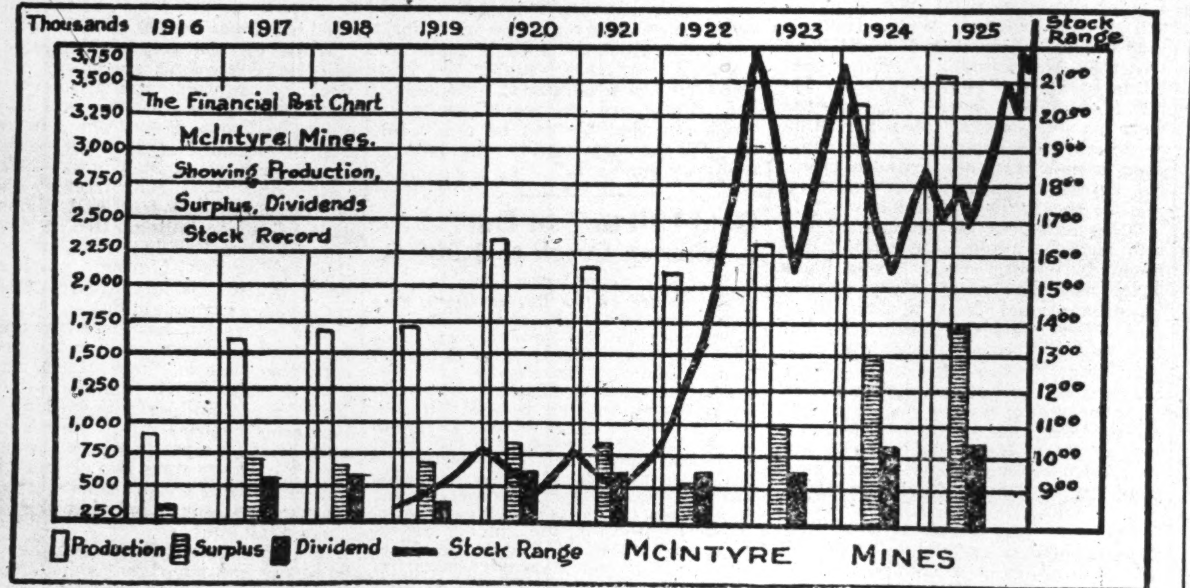
McIntyre-Lake Shore Production Record— Tonnage, Average Recovery and Yearly Value

McIntyre

Year	Mos.	Tons	Value per Ton	Value
1912	12	14,500	$5.25	$ 76,166
1913	12	31,979	7.05	225,752
1915	15	85,654	8.39	718,332
1916	12	105,758	7.38	779,991
1917	15	195,307	9.55	1,864,914
1918	12	178,327	9.61	1,714,258
1919	12	179,874	9.29	1,671,646
1920	12	188,835	11.02	2,080,178
1921	12	171,916	11.08	1,904,326
1922	12	193,971	9.99	1,937,105
1923	12	240,615	9.35	2,249,742
1924	12	360,140	9.14	3,291,178
1925	12	400,259	8.86	3,546,638
		2,347,135	$9.40	$22,060,227

Lake Shore

Year	Mos.	Tons	Value per Ton	Value
1918	9	14,948	24.73	369,680
1919	9	11,907	24.73	294,514
1920	12	18,889	25.61	483,702
1921	12	21,681	21.22	460,186
1923	12	36,825	22.63	833,665
1924	12	24,223	23.97	578,243
1925	12	96,838	18.72	1,812,495
		225,311	$21.45	$4,978,022



Market Values Lake Shore at $19,600,000; McIntyre $18,114,600

If Production Continued as at Present, it Would Take 22 and 17 Years to Pay Shareholders Back Without Interest

Perhaps nothing supports the writer's contention that McIntyre and Lake Shore are still in the prospect stage than to analyze the 1925 production record of each with the present market value of the mine. It shows that to return the present price of the shares on present production—without considering interest—would take McIntyre 17 years and Lake Shore 22 years.

This on the face of it is a good argument in support of those who contend that both issues are selling too high. McIntyre at $23 yields 4.35 per cent., while Lake Shore at $9.75 yields 3.08 per cent.

Our view, however, is that the market is discounting the future of the two mines, whether is has overdone it or not, or how far ahead of developments the market is traveling, is a matter of guessing—pure and simple—we don't think anyone knowns. The figures may be interesting:

1925	McIntyre	Lk. Shore
Paid shareholders ...	$798,000	$600,000
Added to surplus	174,054	258,735
Available for shares..	$972,054	$858,735
Ore extracted to earn above	3,546,637	1,812,495
Market value of mine	18,114,600	19,600,000
Product'n. to pay back present share price	60,090,000	41,356,000
With int. on shares ..	$130,180,000	$82,712,000

Lake Shore Veins Have Length of 4,000 ft. Rich Ore on 1,000-ft. Level

Nos. 1 and 2 veins of Lake Shore have been opened up for over 2,000 ft. on 1,000-ft. level. Towards the Teck-Hughes border No. 2 broke off in three branches, all good ore.

No. 1 vein has shown an improvement in values over the upper levels, and will run, latest reports are, $15. No. 2 will continue to average $20.

It is understood that one winze, perhaps two, will be sunk for two more levels on the main vein. If the width and values continue, this will put a tremendous amount of ore in sight.

New Wealth Created

	McIntyre	Lake Shore
Production	$22,060,227	$ 4,978,022
Ore reserves	12,428,903	20,000,000
Total new wealth	$34,489,130	$24,978,022

Main Assets of Each; Reserves and Surplus

	McIntyre	Lake Shore
Liquid assets	$2,227,416	$ 623,253
Current liabilities	227,254	197,537
Plant	2,404,646	1,032,719
Depreciation	1,941,746	283,441
		749,278
Properties	4,177,681	1,021,511
Develop. charges..	....	201,127
		1,222,638
Exhaustion prov..	148,987x	850,000
		872,638
Surplus	3,311,543	122,506
Investments	774,283	....

x Listed as general reserve.

McIntyre Has 50 Miles, L. Shore 5 Miles Opened in Underground Works

Lake Shore 1925	Lake Shore To Date		McIntyre 1925	McIntyre Total
6,485	18,495	Drifting	9,544	74,050
573	4,025	Crosscutting	2,863	30,996
779	3,609	Raising	99	8,784
39	1,056	Sinking	1,435	10,008
224	224	Ore Pass	25,945	131,592
...	40,642	Stations	50,509	381,046
33,050	68,326	Box holing	......	....
...	16,846		......	38,823
2,479	9,876	Diamond drill	23,380	123,100

Hollinger's Production to End 1925 at $100,000,000

Expected That Past Year Will Show Output Over $16,000,000 — Ore Reserves the Big Question.

Hollinger's 1925 production is estimated at $16,274,353. This is based on the nine months' total of the Ontario Department of Mines. It may fall a little less, but indications are that the total will be sufficient to carry the total output to date of the big mine past the $100,000,000 mark. Dividends with the 1925 total are over $30,000,000.

Every year sees Hollinger making *new marks*, and it will certainly do *so in 1926*. The coming annual report will be of wide interest.

The Financial Post this year will give special attention to the report to the end that every phase of the operation may be clearly understood. In this connection a study of the figures herein contained will provide a ground work that will be of great service in understanding and interpreting the report. These figures are taken from the 1924 report and will prove useful for comparative purposes.

The big question being asked is, what are Hollinger's ore reserves?

The reason for this is that the mill is rapidly working up to a tonnage of 8,000 daily. The principal reserves at the end of 1924 were contained in 5,000,000 tons, or about two years' ore for an 8,000 ton mill operating 300 days in the year. That ore reserves are an important factor is evident by the statement recently credited to Gen. Mgr. A. H. Brigham, that they were estimating ore reserves monthly. "It is the big factor," he said. They must know where they stand at all times.

Hollinger reserves at the end of *1924*, as will be seen from the tabular figures, were slightly under $60,000,000. It will be noticed that only a million was shown below the 1,400-ft. level, yet the shaft is down better than a half-mile now, and numerous new levels will have been opened up. Besides, the last report showed that the lower levels then in existence were in such shape that new reserves could be put in sight very rapidly.

When will Hollinger get up to 8,000 tons daily? This question is frequently asked. Some say the middle of 1926. It may, but it is doubted in well informed circles. It is generally believed that the tonnage will be stepped up gradually and it may be well into 1927 before capacity is reached.

PRODUCTION AND DIVIDEND RECORD

Year	Tons Ore Milled	Values Recovered	Dividends Paid
1911	1,000	46,082.52	....
1912	46,195	933,682.00	270,000
1913	140,131	2,488,022.58	1,170,000
1914	211,846	2,719,354.47	1,170,000
1915	441,236	4,205,901.69	1,720,000
1916	601,854	5,073,401.05	3,126,000
1917	508,139	4,261,938.72	730,000
1918	578,755	5,752,370.87	1,230,000
1919	711,882	6,722,266.81	1,722,000
1920	650,205	6,219,664.80	2,214,000
1921	1,072,493	10,031,050.57	3,198,000
1922	1,491,381	12,274,114.77	3,198,000
1923	1,366,352	10,446,412.20	3,198,000
1924	1,659,475	13,429,226.87	3,198,000
	9,479,944	$84,603,489.92	$26,152,000
x1925		16,274,353.00	4,378,800
		$100,877,842.92	$30,530,800

xEstimate.

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$4,271,260	$ 738,000	$ 982,315
1918	5,908,328	1,230,000	1,358,563
1919	7,063,099	1,722,000	599,290
1920	7,162,611	2,214,000	461,275
1921	10,314,515	3,198,000	828,927
1922	12,824,608	3,198,000	1,948,690
1923	11,014,202	3,198,000	x245,964
1924	13,429,227	3,198,000	1,907,037
xx1925	16,274,353	4,378,800	....

xDeficit.
xxEstimated.

Profit and Loss

	1922	1923	1924
Earnings	$12824,608	$11,014,203	$13,991,114
Costs—			
Mining	4,071,583	4,499,566	5,133,252
Milling	1,752,284	1,562,629	1,565,802
General	522,136	577,521	705,844
Profit	6,478,604	4,374,486	6,586,215
Taxes	518,224	451,621	318,377
Dividends	3,198,000	3,198,000	3,198,000
Deprec.	813,690	970,829	1,162,801
Balance	1,948,690	x254,964	1,907,037
Power adj.	....	....	46,309
Surplus	3,960,779	5,909,469	5,663,505
Bal. fwd.	5,909,469	5,663,505	7,616,851
Tot. assets	31,114,229	30,984,491	28,766,494
Curr'nt. assets	7,935,980	6,589 242	6,394,763
Current liab.	716,009	490,985	2,694,002
Wk. capital	7,219,971	6,098,257	3,700,761
Earn. per share	1.06	.60	1.04
Div., per share	.65	.65	.65
Book val. per share	6.20	6.15	6.55

xDeficit.

Ore Reserve

	Tons	Value
Above 425 level	1,393.028	$15,391,774
Above 800 level	1,281,920	14,116,236
Above 1400 level	2,177,570	20,310,271
Below 1400 level........	125,004	1,143,075
Total	4,977,522	$50,961,356
Surface outcrops	106,590	778,803
Ore under $6 in veins.	1,434,281	7,564,726
Total, 1924	6,518,393	$59,304,885
1923		56,861,936

Hollinger Vein Averages

	1924	1923	1922
Over $10 ..	21,600,147	17,524,850	17,320,114
Aver. per ton	13.13	13.62	13.10
$8 to $10 ..	25,650,764	28,982,086	17,856,981
Aver.	9.03	9.05	8.96
$6 to $8 ..	3,710,445	696,101	560,778
Average $.	7.55	6.89	7.32
Tot. proven	$50,961,356	$47,203,037	$35,737,873
Average . .	10.24	10.28	10.54
Under $6 ..	7,564,726	8,244,136	5,348,594
Aver.	5.27	.....	.....
Surf. outcrop	778,803	1,414,763	2,183,360
Average ..	7.31	.....	.....
Total	$59,304,885	$58,861,036	$43,269,827
Average . .	9.10	.....	.....

Hollinger Should Show 30% Earned in 1925

Hollinger Consolidated net operating and other revenue in 1925 should total close to $7,750,000. This is at the rate of about 31.5 per cent. on the issued capital, while the dividend at present is on a 20.8 per cent. basis. It is appreciation of this increase in profits that carried the stock to $19 recently.

KEELEY

A couple of encouraging ore indications have been encountered on Keeley, one on the main zone and other on the 16-28 vein system to the west. They open up new possibilities.

Hollinger's Principal Veins

	Above 425	Above 800	Above 1,400	Below 1,400	Total
55	640,533	458,874	4,840,820	374,353	$6,314,580
84	677,890	1,937,303	2,773,821	187,396	5,576,410
97	2,275,563	1,873,633	....	....	4,149,196
85	109,566	724,863	2,584,948	74,351	3,493,728
91	766,586	728,684	922,534	....	2,417,804
54	158,218	251,781	1,921,384	48,530	2,379,913
53	596,403	529,754	1,114,340	....	2,240,497
63	54,022	979,880	1,024,331	....	2,058,233
65	309,603	641,967	687,405	....	1,638,975
12	1,111,061	288,556	....	....	1,399,617
58	355,132	845,781	162,100	....	1,363,013
92	1,244,391	67,584	....	....	1,311,939
86	205,050	130,488	889,667	....	1,225,205
50	808,579	377,668	23,953	....	1,212,200
51	52,378	73,106	1,035,706	28,767	1,189,957
1	421,162	594,999	76,576	....	1,092,737
16	$9,786,132	$10,524,921	$18,059,585	$ 713,397	$39,085,035
42 others					11,876,321
					$50,961,356

Myers Persists in Claim That Bingo Mine Has Real Value

Fireworks Marks London, Eng., Meeting — Move to Wind up English Company Seemingly Blocked — Hot Charges Are Made by Principals

Considerable fireworks has featured the affairs of Bingo Gold Mines in England. Jos. Myers, Winnipeg, managing director, seems to be on the winning side. He proposes to place a ten ton mill to prove his claims that the mine is valuable and the engineers who condemned it were wrong. Latest reports from England are that he seems to be in a fair way to get support for his proposal.

When Myers went to England to try and clear up the situation, there was trouble in getting a meeting. At the same time a move was made to wind up the English company "to prevent it from falling under control of Canadian investors," said the chairman, according to a cabled report.

Myers, when he finally got a meeting of shareholders, attacked Sir William Maxwell, the chairman, reports add, and accused him of gross negligence and incompetency. Sir William in reply read evidence from the preliminary hearing of Myers at Winnipeg in reference to salting of assays.

In this connection it is rather interesting that Sir William paid two visits to Bingo mines with Mr. Myers and reports which he made on his return to England were quite glowing.

"Canada," a London paper, carries a page of interesting comment in its latest issue on the Bingo situation, asking some rather pertinent questions. It says:

"A few weeks ago Mr. Myers came to London in order, as he says, to meet the shareholders and explain his position, but the London board refused to recognize him. Mr. Myers was accompanied to England by Dr. Blake, the chairman of the Canadian company. As the directors apparently refused to call a general meeting as they requested, a notice, accompanied by a statement from Mr. Myers, was sent to the shareholders.

"The directors' circular in reply is a strange document, and one which is fortunately rare in British joint stock companies' records. They announce that they have caused a petition for the compulsory winding up of the company to be presented to the court, and ask the shareholders to support them in this petition, although they have given them no information in the past twelve months, and even now do not state what the assets amount to which they are so anxious to conserve. A paragraph in this circular which will surprise the shareholders states that last summer a thorough surface exploration of the whole property has been made and five tons of the dump sent to the smelters. Why has this information been withheld from the shareholders until now?

Pertinent Questions

"There are many questions that shareholders will desire to ask before they would be willing to authorize the board to liquidate the company. Among these questions will be:

"How was the thorough surface exploration of the whole property last summer carried out?

(There are some 370 acres. On the Bingo there are five veins, and many more on the Trapper stretching over 7,000 feet.)

"What engineer superintended this thorough exploration?

"What were the actual results and what was the cost?

"These questions arise out of the paragraph in the directors' circular, but other questions will naturally arise in the minds of shareholders in connection with the proceedings at the annual meeting held last January.

"The shareholders went away definitely understanding that the board (1) would elect two directors (2) would appoint an experienced mining engineer, and (3) that the property would be thoroughly explored by diamond drilling. The impression was certainly also left in their minds that a small mill would be erected to treat the dump. We know now that the board appointed no directors, no engineer, and did no diamond drilling either from the shaft or crosscuts.

Directors' Volte Face

"There is a passage in the letter we have received from the company's solicitors, previously referred to, which is difficult to reconcile with the directors' circular, both of the same date, December 30. The company's solicitors say for the directors:

" 'They have felt unable to discuss the affairs of the company in public while the criminal proceedings against Mr. Myers have been pending, as they very properly desired not to prejudice a fair trial of the issues involved. But for this fact the shareholders would have been kept more closely informed of developments, and when our clients are in a position to speak freely, it will be found that they have discharged a very difficult duty in a manner to which the closest critic could take no exception.'

"Could the publication of the result of the surface exploration carried on last summer be in any way as prejudicial in the hands of the crown prosecution next spring as the fact that the company had been forced into liquidation by the London directors?

"We hold no brief for Mr. Myers. In the interests of justice and clean mining, the discrepancy in the assays must be fully probed, but in English law a man is considered innocent until proved guilty, and to rake up—as the directors do in their circular—events of 26 years ago against a co-director has but little bearing on the value of this property.

Why the Silence?

"The mine may be commercially valueless, and, therefore, in the interests of those who provided the money for its development, liquidation of the company may be the best way to conserve whatever cash or other assets remain; but to spring this proposal on the shareholders after a year's silence, and when the annual meeting is due, looks like an attempt to burke all discussion, and there are very many questions which shareholders are naturally anxious to ask Sir William Maxwell, their chairman.

"It may be of interest to read what Sir William Maxwell said to us in an interview published in Canada on October 30, 1924, on his return from a visit to the Bingo mine:

What Maxwell Said

" 'The earlier reports with regard to the mine were so remarkable that in order to test them, thousands of assays were taken, and recently the Dorr Company, who equipped the Hollinger and most of the other big Canadian mills, were asked to carry out test work with a view to advising on the mill and the process of extracting the gold. The report of the company's chief engineer fully bore out the earlier reports. One of the samples taken as being typical of 90 per cent. of the ore assayed as

(Continued on page 22)

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CONIAURUM HAS OPENED SEVERAL FINE ORE SHOOTS

Indications Are That Another Large Porcupine Mine is in Making

Coniaurum has cut ten veins to date in its operation of the Goldale, Newray and Armstrong-Booth properties. Half of these are encouraging ore shoots, but the values encountered in the others are so low that they have no economic importance as yet.

Operations in the Goldale section have been particularly encouraging. The downward extension of the good vein Kerr Lake opened up on the 500-ft. level having been picked up on the 1,000-ft. level. To date it has been drifted as for 165 feet, though the interim report just issued only covered up to 90 feet.

Some very good news is contained in President R. W. Leonard's interim report. It shows that ore shoots of good length are being opened up on the upper levels, though it is generally thought that because of the rake to east of the McIntyre and Hollinger shoots that Coniaurum would not get much above the 1,000 foot level. In fact it seems clear that the operators entertained some such idea as they are doing the great bulk of their work on the 1,000 ft. level, having run a 2,700-ft. crosscut clear across the property. Col. Leonard's report follows:

"Pending the publication of the second annual report your directors feel that the shareholders be informed, in a general way, of the progress of development of the properties of your [illegible] during the year 1925.

"Operations over the period January 1, 1925, to December 22, 1925, may be summarized as follows:

"Development work during this period has been of an exploratory nature. Five veins, or ore-shoots, of an encouraging nature have been intersected by crosscuts, and during the year these have been partly developed by drifting. Some of these veins were found in 1924, but were not explored until this year. In addition to the ore-bearing veins, five other veins have been encountered of which the gold content is so low that they cannot as yet be considered of economic importance.

"Particulars regarding the ore-bearing veins are as follows:

"No. 2 vein, 700 ft. level. An ore-shoot approximately 270 feet in length and 4.1 feet in width, has been exposed in this vein by drifting. The average assay value of the ore exposed in this vein is approximately $12.

"No. 5 vein, 700 ft. level. This vein has been exposed for a distance of approximately 300 feet and has an average width of five feet. There are several short shoots of ore exposed, but taken as a whole it is too low in grade to be classed as ore.

"No. 2 vein, 1,000 ft. level. It is thought that this vein is the downward extension of No. 2 vein, 700 ft. level. This vein has been drifted on for 120 feet, but no ore of importance has been developed.

An Excellent Shoot

"No. 5 vein, 1,000 ft. level. A total of approximately 550 feet of drifting has been done on this vein, exposing three shoots of ore of a total length of 200 feet and an average width of six feet. The average assay value of the ore exposed is approximately $5.

"No. 7 vein, 1,000 ft. level. An ore shoot 379 feet in length and 3.8 feet wide has been drifted on in this system. The average value of the ore in this shoot is approximately $7.

"No. 9 vein, 1,000 ft. level. This vein has been drifted on for 181 feet, exposing two ore-shoots, one 31 feet long and three feet wide or ore of an average value of $80 in gold to the ton, and the other 80 feet long and three feet wide of an average value of $5.50.

"No. 10 vein, 1,000 ft. level. This vein is thought to be the downward extension of the ore developed on the 500 feet level of the Goldale. The vein, where intersected by the cross-cut, is nine feet wide and the average value of the ore for the first 22 feet is $9.70. The vein is now drifted on for 90 feet. This ore has not been exposed from wall to wall, so that it is impossible to give definite figures as to its value. This, however, appears to be an important development.

"The amount of development work done during the year to date is as follows:

Crosscutting	5,570 feet
Drifting	3,300 feet
Raising	225 feet
Total advance	9,095 feet

MINING STOCK QUOTATIONS
Week Ending January 19

	High for week	Low for week	Close Jan. 19	Close Jan. 12	Sales for week
Apex	3½	3¼	3½	3½	12000
Amulet	1.49	1.30	1.36	1.50	78495
Argonaut	22½	19	19½	21¾	191900
Atlas	2¼	1⅞	2	1⅞	72300
Baldwin	2⅜	2⅛	2¼	2¼	67500
Barry Holl.	24¾	22	22	25¼	28500
Beaver	56½	52	54½	56	44600
Bidgood	9¼	7	8½	6½	24500
Bo'lamaque	7.50	7.10	7.50	7.10	11684
Buckingham	3	2⅞	2⅞	2⅛	6000
Can.Lorrain.	82⅝	76	81	78½	129025
Capitol	37½	36	37	38	56000
Castle Tre...	1.59	1.53	1.57	1.57	95525
Clifton	4	3¼	3	3	35500
Coniagas	4.50	4.15	4.25	4.15	3450
Coniar'm	4.70	4.05	4.25	4.15	2000
Col. Kirk.	4	2⅞	3⅞	4	12200
Cons.Smelters	193¼	184¾	185	191½	14198
Cons.W.Dome	23½	21¼	23	23¾	218800
Crown Res.	22	18	20½	21½	138600
Dome Mines	17.00	16.00	16.87	16.63	13505
Everett	9½	8¾	9	9	108700
Goldale	43	37½	41	38	214850
Gold Reef	1⅞	1½	1⅞	1¼	10000
Hattie	½	½	½	¾	18000
Hattie, pref.	2	2	2	2¼	3500
Hillcrest, pref	65	65	65	65	10
Hollinger	19.10	18.80	19.00	19.00	7751
Hunton	14½	10½	12¾	12½	333700
Indian	5	5	5	5	1500
Int.Nick.,com	44¼	42½	42½	44⅛	550
Keeley	1.84	1.64	1.80	1.64	35370
Keora	13¾	12¼	13½	13½	102300
Kirk. Lake	97	90	91	96	156050
Lakeside	5½	5	5	5½	10000
Lake Shore	11.50	9.87	10.77	9.90	42220
La Rose	39	35	35	37	7180
Lorrain	10½	8½	10	8¾	130700
Laval, Que.	43	36	37	42½	170775
McKinley	26	20	24½	22¼	72100
McIntyre	24.00	23.40	23.60	23.85	14769
Chaput H.	15	8	15	7½	50500
Mining Corp	3.50	3.36	3.40	3.48	26523
Moneta	18	16	17½	18	2600
Newray	44	41	42½	42	15800
Nipissing	7.00	6.65	6.65	6.90	11970
Night Hawk	9¾	8	9¾	9¾	10100
Ophir	3½	3½	3½	..	4000
Porc. Crown	6	5	6	4¾	9000
PremierGold	2.20	2.12	2.15	2.20	21397
Preston	8¼	7½	8	8	26000
Teck Hughes	3.75	3.05	3.34	3.11	267852
Thomp.Krist	3	2	2	3	17500
Vickers	13¼	13	13¼	13¼	15500
Tough Oakes	54	51	52	53	50200
Vic. Silver	6	5	6	5	13000
Vipond Cons	1.85	1.69	1.83	1.68	153086
Wakenda	1½	1¼	1¼	..	2000
Wasapika	1	1	1	..	200
West Tree	3	2½	2½	2¾	23000
Wettlaufer	5	5	5	4	5000
Wright Har.	8.60	7.95	8.15	8.00	24835
Noranda	15.00	14.20	14.90	14.90	19755

KEORA HAS DOUBLED ITS WORKING FORCE

Two Shafts Are Now Working in Mill and Mine—New Level Opened

Keora has doubled its mill and underground force on its Calcite Lake property, Gowganda. This means two shifts instead of one. The bulk of the ore is coming from the 200-ft. level, where a 40-ft. shoot of excellent ore was opened up. Work on the vein continued and after a 25-ft. barren stretch, niccolite, generally a forerunner of good silver values, has again come in.

Considerable interest attaches to work on the 275-ft. level, a new one just opened up. It is expected, judging from the dip of the vein on the 200-ft level, that it will be picked up in about 120-ft. of crosscutting, or a month's work.

A regrinder has been added to the mill equipment and two tables are now being used and the concentrates bagged. No shipments have as yet been made.

Another Rich High Grade Find by Mining Corporation

Mining Corporation has made a new high grade find recently, and which, added to reserves, is said to place its reserves higher than those of any of the other silver producers. The new find was made on No. 1 vein on 225-ft. level, north of Frontier shaft, and runs 4,000 ounces over five inches.

This shoot is said to be 1,000 ft. north of the main Watson vein high-grade shoot.

SPECTACULAR PROPERTY TAKEN

Huronian Belt Co. has taken up the Thompson group, Cadillac Twp., Quebec. Very spectacular gold showings have been encountered on surface. Anglo-French Exploration had the property under option for a time and did some drilling. It is understood that Huronian Belt will start work immediately. The property lies between Graham-Bosquet on the west and O'Brien on the east.

SOUTH-EAST PART OF PORCUPINE CAMP CLOSELY WATCHED

Opening Out of Important Geological Sections Arouses Interest

Much money has already been spent on diamond drilling a wide exploration of the section. In this part of the camp also, placer finds have been claimed, that in the end may work out, though the geologists seem to claim that Northern Ontario is not suited for placer mining conditions.

Porcupine would seem to need some good speculative money, much the same as that which found the Delora section interesting. The big operators are not given much to taking fliers in new parts. McIntyre has materially enlarged its holdings in the camp, its last addition being Pleniarum. This was a sure thing, however, as information obtained by its own development was just about as sure as that which Hollinger had when it paid a million for the Schumacher, or Dome had when it took up Dome Extension.

Holytrex and other properties to the north and east seem to have promise as do those to the west and south, but payrolls are absent. A notable case of this kind is the Canadel, the old Rochester. Enough work was done to practically prove up a mine. When it came to provide the funds to take up the fairly proven prospect and make a mine of it, trouble developed. Moneta, generally a periodical market actor, has been dormant, rather a surprise to many. Nothing is being done on the property.

Start Kirkland Gold Mill During the Early Summer

J. B. Tyrrell, managing director of Kirkland Lake Gold, stated in an interview in England recently that he expected that early in the coming summer there would be sufficient ore reserves in the mine to start the mill.

Noranda Mines have offered Horne Syndicate shareholders to pay the balance of the purchase price of $320,000, and on which $35,000 has already been paid. The balance is due in payments spread to 1928. A discount of 6 or 7 per cent. is asked. The syndicate gets 10 per cent. in stock of the company to be organized on the Horne.

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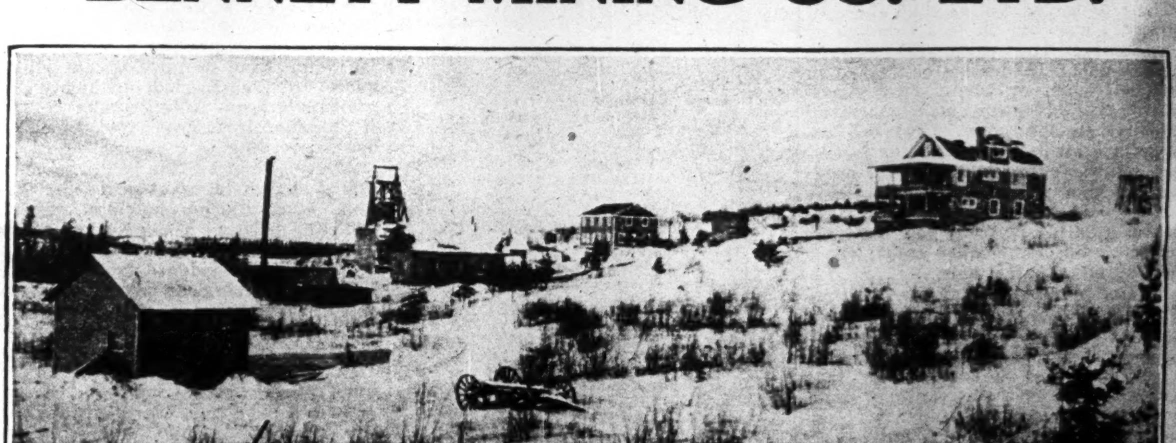


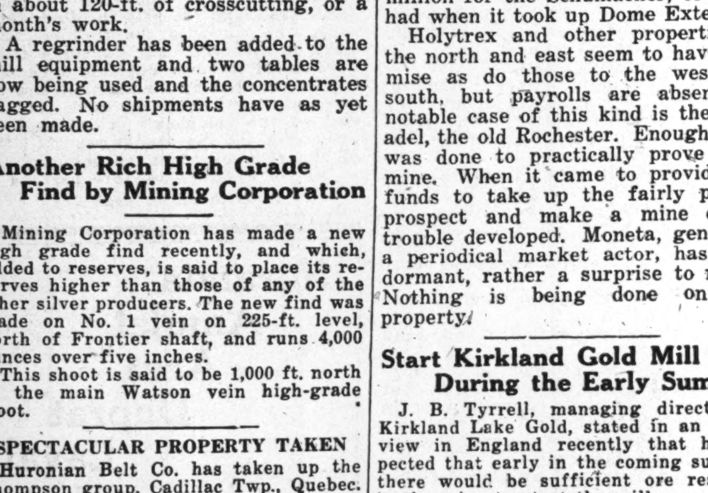
A Picture of Three Months' Work

The above picture vividly portrays the tremendous activity carried out during the past three months in preparing to launch the development of the company's property at Sesikinika, Ont., just at the height of land on the T. & N. O. Ry.

The camp buildings are up-to-date in every way and the equipment such that the most efficient exploration and development can be carried out.

The operation is now in such a position that tenders for sinking a 500-foot shaft have been called. The property is regarded by all mining men acquainted with Northern Ontario as the richest gold telluride property in the country. Surface exploration on a small portion of the property has revealed 22 veins carrying exceptionally high gold values.

Head Office: 2 St. Clair Ave. West, Toronto
Mine Office: Sesikinika, Ont.



THE SPEED and accuracy with which information reaches investors determines to a marked degree their profit possibilities in the market.

The extensive and highly organized wire system between our offices in the principal mining camps and our Head Office in Toronto keeps us in constant touch with new developments.

This unique service is available to our clients at all times, and we would appreciate your making use of it.

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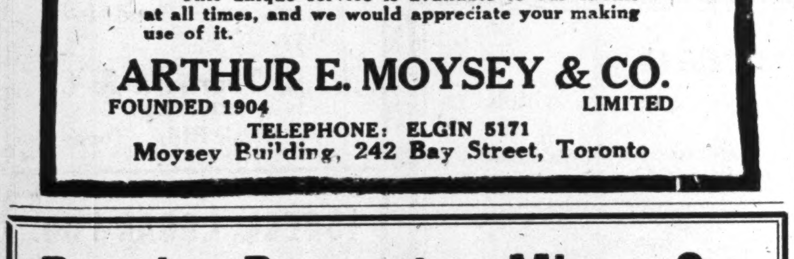
FOUNDED 1904 LIMITED
TELEPHONE: ELGIN 5171
Moysey Building, 242 Bay Street, Toronto

Premier Paymaster Mines Co.
AUTHORIZED CAPITAL $3,000,000

This company is unique among Northern Ontario mines inasmuch as it is the only company with an assessable stock. Of the authorized capital but 1,400,473 dollar shares have been issued and but 90c per share called.

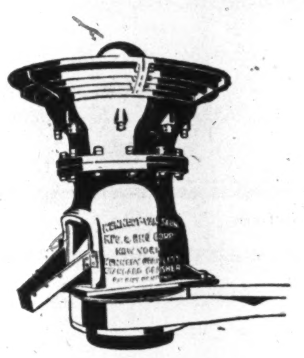
With this small issued capital, the company has opened up, developed and proven a very valuable mine on the Porcupine Paymaster property and is now on the eve of steady production. Its 200-ton mill is rapidly nearing completion.



Premier Paymaster owns 1,999,995 of the 2,000,000 dollar shares of Porcupine Paymaster Mines, Ltd., the operating company. The properties consist of one group of 5 claims, located one mile south-west of Dome Mines, upon which the mill is being erected, and another group of 4 claims in Tisdale Township, north of the Newray Mines.

The Directors are:—
E. H. WALKER, President
J. A. FROBOCK, Vice-Pres. and Mgr.-Director
F. G. WRIGHT, Secretary
A. S. FULLER, Director
D. B. PATTISON, Director
R. M. DAVIS, Treasurer
H. E. CLEMENT, Gen.-Mgr.
Head Office: 79 Milk St., Boston, Mass.
Mine Office: South Porcupine, Ontario

Kennedy Gyratory Crusher
eliminates a set of Rolls
at Porcupine Paymaster Mine



THE Kennedy Gyratory Crusher is capable of taking ore from the primary crusher and delivering it in a size suitable for ball mill feed. At the Porcupine Paymaster Mine a Kennedy Gyratory Crusher recently installed, has eliminated a set of rolls.

The Kennedy Gearless Gyratory Crusher actually has 50% more capacity with the same size opening and uses 20% less power per corresponding tonnage delivered. It attains its capacity by doing away with the speed limitations of gears, making high speed possible and consequently increasing the output of fines.

The Kennedy Gearless Crusher is driven by one belt or rope sheave. It is practically dust proof. Will successfully crush wet or dry ore or rock. Is equipped with oil filter and return system of lubrication.

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478

GOLDALE CONTINUES TO HOLD 216,600 CONIAURUM SHARES

During Past Year Disposed of Couple of Small Properties

Goldale directors have not changed their minds about distributing the 216,600 shares of Coniaurum stock held in its treasury, says President J. Y. Murdock, in his annual report. This block of stock, intact, is carried on Goldale's books at the estimated cost of $2.82 per share, or $610,812, while the real market value of them is over $4 per share or $866,400.

During the year Goldale sold a couple of small properties in North Whitney, Porcupine, for $13,000 cash, and the directors announce that other holdings are on the market awaiting a buyer.

Goldale's financial statement shows cash in the banks of $5,350 compared with $908.94 on February 28, 1925. As Goldale is not operating, this sum is substantially all they need to carry on.

During the year the president states they sold two groups of their outlying claims for $13,000 cash. One claim of these was to the Buffalo Tisdale Mines, Limited, understood to be a subsidiary of Dome. The other was a group of five claims to the Anglo Ontario Securities Limited.

The following is a comparison of the principal items of the balance sheet.

	Dec. 1925	Feb. 28, 1925
Cash in banks	5,349.93	908.94
Other company's shares	610,812	610,530
Mining properties	1,277,971.87	1,293,517.50
Expense accounts	17,694.13	12,231.20

Pres. J. Y. Murdock's report follows:

The 216,600 Coniaurum shares owned by your company are carried on the books at $2.82 per share, which represents cost. I am sure consideration of the enclosed progress report will convince you of the very valuable asset your company has in these shares. The results of the Coniaurum work and the ore located on your group prior to the consolidation surely prove that you now have an interest in a mine of considerable potential value. The very efficient and economical manner in which the property is being developed is a credit to the Coniaurum officials and management.

I draw to your attention the fact that your company is free of debt except ordinary current accounts with all taxes paid to date and has sufficient cash on hand and accounts receivable to pay all normal expenditures for some time to come.

In addition to the sale of Group No. 1 to the Coniaurum Company which was approved of by you at a special general meeting held in June 30, 1924, the directors have disposed of two outlying groups of claims for $13,000 cash since our last annual meeting.

Accompanying Goldale's report was *Col. Leonard's* interim report on Coniaurum, which will be found elsewhere.

MARKET VALUATION OF MINES SOARS IN ACTIVE TRADING

Price on Shares of Leading Gold Producers Now Close to $200,000,000

Heavy trading in mining shares during the past week carried a number of issues to rather high levels. This is notably true of Kirkland Lakes' three leading producers. As was to be expected, when the market got to such a danger point, it was bidding for profit taking, and this developed, but not on any large scale. The activity in the market has been fairly general and advances reached to all parts of the board.

Perhaps the most interesting feature of the recent advances has been the increase in the market valuation of the mines as a result of the rise in the price of these issues. The market to-day values the seven leading producing gold mines at $191,000,000, or more than six times the annual gold output of Northern Ontario. Hollinger leads with $93,000,000, with Wright Hargreaves and Lake Shore in second and third place, and only separated by a half million. McIntyre has moved close to $19,000,000 with Dome nearly $3,000,000 lower. Teck-Hughes valuation is close to that of Dome. Vipond, with the same capitalization as Lake Shore and valued at $3,800,000 is $18,200,000 below the Kirkland Lake mine.

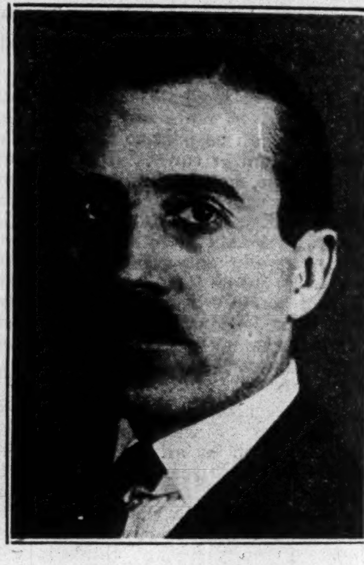
There have also been some material rises in the valuation of silver mines of late, as the table below will show:

	Par	Issued	Valuation
Hollinger	$5	$24,600,000	$93,480,000
W. Hargreaves	1	2,750,000	22,550,000
Lake Shore	1	2,000,000	22,000,000
McIntyre	5	3,990,000	18,952,500
Dome	None	9,533,345	16,106,678
T. Hughes	1	4,747,144	15,665,575
Vipond	1	2,000,000	3,800,000
			$191,555,753
	(Silvers)		
Nipissing	$5	6,000,000	8,290,000
Mining Corp.	5	8,300,250	5,727,172
Keeley	1	2,000,000	3,800,000
Castle	1	2,000,000	3,140,000
Coniagas	5	4,000,000	3,400,000
			$24,357,172

Bank Comments on New Mining Activities

Increased activity in Canadian mining is subject of reference in the recent letter of Bank of Commerce. Referring to British Columbia, it says: Many partially developed gold and silver properties, as well as prospects which have been lying dormant for years, are being taken up and developed. To prevent "wild-catting" in the province, all mining company promotions are checked up as far as possible by the Provincial Department of Mines, and information regarding practically every mine and property in the province can be obtained from the reports of that department.

The actual gold production of Manitoba has not been commensurate with the efforts put into development work during the past 15 years and few properties are actually producing at the present time. However, several bodies of good ore have been blocked out in the northeastern part of the province, and it is felt that well-directed effort should result in the development of several gold mines in that area. United States interests have recently acquired a working option for two years on the Flin Flon mine at The Pas, which property is regarded as rich in copper, zinc, gold and silver. Reference is also made to the new activities in Ontario and Quebec, of the latter province, it says: Comparatively little gold and silver is produced in the Province of Quebec, but it is expected that the situation in this respect will soon change, as some encouraging discoveries have been made during the past year in the Rouyn district, which is merely an extension of the gold producing area of Northeastern Ontario.



FRED J. CRAWFORD,
President of Standard Stock and Mining Exchange, Toronto, for 1926.

New Company is Taking Over Hunton-Kirkland Mine

A new company, Kirkland-Hunton, will take over assets of Hunton-Kirkland. This plan has been decided on to refinance operations. New company capitalization will be $4,000,000, shares $1 par, and old shareholders will get one new for two old. It is understood that enough treasury stock has been optioned to provide funds for a year's development operations.

DOME DID LITTLE BETTER IN VALUE OF OUTPUT IN 1925

Tonnage Was Higher With Recovery Near the Same, But Costs Were up

Dome in 1925 slightly exceeded the previous year's production with a total of $4,362,886, as compared with $4,307,720 in 1924. The average recovery for the last three months for the year, was much higher than earlier in the year and took care of the declines as well as providing an increase.

The tonnage totals for the year show that something of a record has been made in the mill, an increase of about 35,000 tons over 1924 being recorded. The average content of the ore, about $8.50, was slightly lower than the 1924 average of $8.73 while costs are expected to average about the same per ton. The total will be higher because of the increase in tons handled.

Generally it is considered that 1925 was kind to Dome. The annual report in March will tell whether or not this is so. But it is believed that the huge exploratory program has met with considerable success in Dome extension in the sediments. What has been achieved outside the sedimentary basin is a matter of conjecture and waiting for the real facts is much better than guessing. There have been things transpire during the year, however, which persons familiar with Dome management could not but interpret as evidence of optimism and presaging good news for the future. Some Dome figures:

Monthly figures:—

	1925	1924
January	351,301	326,420
February	345,478	349,299
March	356,084	355,645
April	354,498	358,817
May	361,175	371,055
June	363,925	360,750
July	364,767	361,993
August	372,282	369,032
September	361,166	....
October	370,005	360,698
November	379,990	....
December	377,710	361,508
	4,362,886	4,307,720

Operating costs and taxes, based on interior reports are estimated as a total of $2,483,000 leaving a net of $1,879,000, which with investment income added would just take care of the $1,906,668 dividends nicely and leave a small amount for surplus. No provision for depreciation is made. Dividend assurance fund at the end of 1924 stood at $2,065,993, surplus $2,419,278.

The Year by Quarters

	3 mos.	6 mos.	9 mos.	s 12 mos.	12 m. 1924
Tons milled	131,500	263,300	396,600	530,200	493,400
Value, per ton	8.012	8.116	8.16	8.23	8.730
Recovery	1,053,631	2,136,967	3,237,801	4,366,026	4,307,721
Cost, per ton	4.00	4.239	4.419	4.467	4.578
Total costs	526,052	1,116,157	1,752,662	2,368,611	2,258,649
Taxes	26,924	63,864	93,232	120,538	102,960
Operating profit	500,651	1,180,021	1,391,908	1,876,877	1,946,111
Other earnings	44,011	88,549	132,690	176,132	204,982
Total earnings	544,662	1,045,494	1,524,538	2,053,009	2,121,098

VIPOND'S GROSS 1925 PRODUCTION OVER HALF MILLION

(Continued from page 17)

apparent than real, as will be clear from an explanation as to how the figures for the two years in question were reached. The Vipond reserves are divisible into three separate groups; those of the eastern section, those of the western section, and those of the central section. The reserves of the central system, which are much the most important, both in tonnage and value, have been developed entirely since the mine was re-opened in March, 1922. These reserves have therefore been conservatively valued as the work proceeded. The reserves of the western section have also been open for re-examination, and re-valuation since the date named, but those of the eastern, or old Vipond section, could not be examined until late in 1924, when the workings in which they lie were unwatered and connected with the western and central sections. The ore reserves for the previous year therefore included the old Vipond blocks at the values given them by an independent engineer who examined the mine in 1916. During present year, these reserves have been carefully re-investigated; such re-examination resulting in the advisability of eliminating, at least until further exploration was practicable, several blocks now apparently too low grade to be classed as ore.

In reports which covered operations subsequent to the above, Dr. Bell talks of indications of excellent ore found up close to Hollinger boundary line. In the south end of the property, however, the spectacular results of the year have taken place, a new ore body having developed on several levels and large additions made to the reservoirs of the mine.

Work is now proceeding on mill enlargement and when summer is at hand will be pushed through to completion. When completed Vipond production should quickly work up to $1,000,000 yearly. The company's capitalization of $2,000,000 is the same as Lake Shore and Castle Trethewey, two other producers.

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Dome, Lake Shore, Berlanque Syndicate
Morgan U. Kemerer
Member Standard Stock Mining Exchange
29 Melinda Street, Toronto, Ont.

We Recommend the Purchase of
Gold Hill
Prior to its being listed on Toronto Exchanges
THE CONTINENTAL BOND CORPORATION LTD.
217 Bay St. Toronto
Elgin 3176

Crescent Silver Cobalt Mines
Authorized Capital $2,500,000
Property 261 acres, Cobalt mining area. Surface work done, 8,000-ft.; underground, 1,400-ft.

This operation, located in the Cobalt silver area, is close to the producing stage. A limited sum is required to finance final development, a considerable tonnage of good grade silver ore with an extra heavy Cobalt content being already in sight.

A small amount of further development will put the mine in shape to undertake steady ore shipments. It is well equipped with a complete Mining plant, and has been favorably reported upon by numerous prominent Engineers.

Development work will be under the direction of a highly qualified Mining Engineer. With two-thirds of the treasury still intact, the company is in a strong position to carry out its entire development plans.

We offer a limited number of shares at 25 cents, and consider this one of the best speculative investments of recent years. It is well worth your enquiry.

CRESCENT FINANCE
320 Bay Street, Toronto, Ont.

Haultain Silver
GOWGANDA
Important developments are taking place at this property.
We have prepared a special report which will be mailed on request. Application will be made to list these shares at an early date. Phone or write without delay.
George S. Cochran & Co.
STOCK BROKERS
310 Transportation Building
Phone Main 0055
120 St. James St., MONTREAL

The
Porcupine Goldfields Development and Finance Co. Limited
Head Office:
428 Salisbury House
London, E.C., England
407 Canada Cement Company Building
MONTREAL

Consolidated West Dome Lake Mines, Limited
Is a Consolidation of
Dome Lake Mining and Milling Company, Limited
and
West Dome Consolidated Mines, Limited
Incorporation, Ontario Charter, 1922
CAPITAL $5,000,000
Par Value of Stock: $1.00 Issued: 5,000,000
PROPERTY: Nine (9) Claims in Tisdale Township, Porcupine adjoining Dome Mines on the West and Southwest.
DEVELOPMENT: Five (5) shafts from 300 feet to 1,350 feet.
EQUIPMENT: Double Drum Hoist; Compressors; Boilers and all other necessary equipment. Also Mill, which is equipped to handle 150 tons per day, now in operation.
Officers:
SIR HENRY M. PELLATT, President
WM. T. KINCH, First Vice-President
CHARLES L. SHERRILL, Second Vice-President
Directors:
F. L. BAPST, A. A. McKELVIE, J. A. MURRAY,
R. L. BAKER, E. G. STEVENS,
C. H. MANATON, Secretary-Treasurer
F. L. HUTCHINSON, Asst. Secretary-Treasurer
HEAD OFFICE: 611-620 Bank of Hamilton Bldg., Toronto, Ontario, Canada.
MINE OFFICE: South Porcupine, Ontario, Canada.
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The information it contains is fortified by twenty years of direct connection with Northern Ontario mining.
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NATIONAL TRUST BETTER PROFITS GREATER ASSETS

Large Increase Shown in Deposits — West is Coming Back

Another succesful year, reflected in a further increase in profits and continued expansion of estates under administration, is reported by the National Trust Company. The net earnings for the year amount to $375,693, compared with $358,262 in 1924 and $316,660 in 1923. After the payment of dividends and taxes the balance forward was increased from $121,636 to $167,266. Following are comparative figures:

Profit and Loss

	1925	1924	1923
Profits	$375,693	$358,262	$316,660
Taxes	60,073	61,769	30,000
Off premises	.....	109,386	.....
	$ 60,073	$171,155	$ 30,000
	$315,620	$187,107	$286,660
Bal. forward	121,646	204,540	157,880
	$437,266	$391,647	$444,540
Distribution—			
Dividends	$270,000	$270,000	$240,000
Balance	167,266	121,646	204,540
	$437,266	$391,646	$444,540

Eight Years' Record

Year	*Net Profits	% on Av. Cap.	Div.	Stock High	Stock Low
1925	$315,620	14.0	12	228	210
1924	†187,107	8.6	12	220	210
1923	286,660	14.3	12	215	197
1922	276,598	13.8	12	201	190
1921	276,865	13.8	12	200	190
1920	235,025	14.0	11	230	198
1919	247,440	16.4	10	205	200
1918	239,784	15.9	10	...	...

*Income tax deducted.
†Less written off premises.

The assets under administration show an increase of almost $5,000,000 to a total of over $143,000,000. Deposits showed an increase from $4,900,000 to $5,720,000. Liquid assets have been maintained at a high level as evidenced by the fact that the cash and quick assets held on capital and guaranteed account amount to close to $5,700,000, an amount almost equal to the total deposits.

The company reports a substantial reduction in the real estate held for sale under mortgage foreclosure and, as all the company's foreclosed property is held in the West, this is another evidence of the effect of improved conditions in the Prairie Provinces.

Following is a summary of figures from the company's balance sheet showing the growth in the past eleven years:

	Capital Account	Guaranteed Account	Estates, etc.
1925	$4,782,498	$10,249,217	$128,630,188
1924	4,737,191	9,298,248	124,871,294
1923	4,370,583	7,440,988	114,283,375
1922	4,341,718	5,941,939	102,259,850
1921	4,298,443	5,113,988	93,400,117
1920	4,277,214	5,387,200	84,726,290
1919	3,300,670	5,975,711	79,665,410
1918	3,238,221	6,897,900	69,955,548
1917	3,197,122	7,717,790	65,807,722
1916	3,174,174	7,371,097	58,651,782
1915	3,140,543	6,986,333	49,205,608

MONTREAL TRUST CO. EARNINGS IMPROVE

Dividend Increased at Annual Meeting—Larger Amount to Surplus

From Our Own Correspondent.

MONTREAL. — The annual report of the Montreal Trust Co. reveals a satisfactory increase in earnings and, at the annual meeting, an increase in the dividend rate to 16 per cent. was announced. The net profits for the year showed an increase of over $23,000; after provision for a larger disbursement to the shareholders, the amount transferred to surplus exceeded the corresponding figures of 1924 by $9,000. Further, the general manager, F. G. Donaldson, stated that the prospects for the coming year were bright and that he hoped to submit an even improved report next year.

At the meeting, a motion was adopted fixing the price of the shares for the coming year at $275 each. The directors were again re-elected without change.

Balance sheet changes during the year included the wiping out of the deposit with the provincial government, the reduction in the premises account, an increase in sundry loans and in securities held. The chief changes on the liability side of the exhibit were the increase in guaranteed accounts from $1,218,502 in 1924 to $1,950,398 last year, and a decided increase in the surplus account.

The Profit and Loss Account

The profit and loss figures for the past three years compare as follows:

	1925	1924	1923
xNet profits	$303,567	$280,089	$260,112
Deduct:—			
Dividends	150,000	140,000	120,000
†Subscrip.	2,000	2,000	2,000
Income Tax	28,238	23,740	18,597
Year's surp.	$123,329	$114,349	$119,515
Prev. surp.	87,499	473,150	353,635
Total	$210,828	$587,499	$473,150
To reserve	....	500,000	....
P. & L. bal.	$210,828	$ 87,499	$473,150

xAfter providing for expenses of management, accrued interest, and all other charges.
†Subscription to McGill University Centennial Fund.

The remarks of Sir Herbert S. Holt, the president, were in part as follows:

"At the close of 1925 estates and trusts under administration and trusteeships for bond issues totalled in round figures $813,000,000. Our estates department particularly has shown considerable growth, a larger number of wills than usual, of which we were appointed executor, have become operative during the year and a considerable number of new wills under which this company has been named executor have been filed with us. We have also been appointed trustee of new bond issues aggregating over $225,000,000. Against this, we have during the year granted discharges totaling $123,000,000 in respect of issues which have been reduced or cancelled, leaving a net gain of over $102,000,000 for the year.

"I am also pleased to announce that it is the intention of your directors to increase the dividend on the stock of the company, raising it for the current year to 16 per cent., and I think that in view of the appreciation in value of the company's assets, as shown in the statement before you, that you will be justified in fixing the price of the shares at $275 each."

Midland Loan Had Better Year in 1925

Considerable improvement in the affairs of the Midland Loan & Savings Co. is indicated in the company's annual report for 1925. Figures from the profit and loss account are summarized in the following record:

PROFIT AND LOSS

	1925	1924	1923
Earnings	$146,341	$137,027	$124,608
Int. Dep. and deb.	69,036	61,931	53,717
Expenses	15,891	14,627	14,900
Commissions	964	634	171
Taxes	7,387	6,915	7,361
	$ 93,278	$ 84,107	$ 76,149
Profits	$ 53,063	$ 52,920	$ 48,459
Bal. forward	14,974	14,453	18,395
	$ 68,037	$ 67,373	$ 66,854
Distribution—			
Dividends	$ 32,400	$ 32,400	$ 32,400
Reserve	20,000	10,000	10,000
Contingent	.....	10,000	10,000
Balance	15,637	14,973	14,454
	$ 68,037	$ 67,373	$ 66,854

SEVEN YEARS' RECORD

Year	Paid-up Capital	Profits	Div.	% on Av. C'p.	Earn. Rate
1925	$360,000	$53,063	8+1	14.7	7.0
1924	360,000	52,920	8+1	14.6	7.2
1923	360,000	48,459	8+1	13.4	6.6
1922	360,000	52,725	8+1½	14.6	7.4
1921	360,000	50,247	8+1	13.9	7.1
1920	360,000	42,768	8+½	11.8	6.3
1919	360,000	43,606	8	12.1	6.6

TORONTO MORTGAGE IN STRONG POSITION

Nineteenth Consecutive Year Completed Without Real Estate on Hand

Earnings of the Toronto Mortgage Company for 1925 showed little change, amounting to $235,553, as compared with $238,832 for 1924 and $232,877 for 1923. After the payment of dividends and bonus, the sum of $50,000 was added to the reserve, the balance being reduced from $68,929 to $34,887. Following are comparative figures:

PROFIT AND LOSS

	1925	1924	1923
Earnings	$235,553	$238,832	$232,877
Interest	95,754	95,761	95,153
Charges	6,581	6,775	7,880
Management	27,042	27,089	25,965
Taxes	10,517	9,347	9,228
Machinery	......	......	3,032
	$139,894	$138,972	$141,258
Net profits	$ 95,659	$ 99,860	$ 91,619
Bal. forward	68,929	48,769	54,605
	$164,588	$148,629	$146,224
Distribution—			
Dividends	$ 72,455	$ 72,455	$ 72,455
Bonus	7,245	7,245	.....
Reserves	50,000	......	25,000
Balance	34,887	68,929	48,769
	$164,588	$148,629	$146,224

SEVEN YEARS' RECORD

Year	Paid-up Capital	Profits	Div.	% on Cap.	Earn. Rate
1925	$724,550	$95,659	10+1	13.2	6.0
1924	724,550	99,860	10+1	13.7	6.5
1923	724,550	91,619	10	12.7	6.0
1922	724,550	88,286	10	12.2	5.9
1921	724,550	91,396	9	12.6	6.4
1920	724,550	93,385	9	12.9	6.7
1919	724,550	90,172	8+1	12.5	6.7

For nineteen successive years the company has maintained its record of completing the fiscal period with no real estate on hand for sale through default or otherwise. Seventy per cent. of all liabilities to the public are secured by liquid assets, such as government and municipal bonds, call loans and cash in bank.

Out of a total revenue for the year of $234,553, only $2,271 was outstanding on December 31, showing that over 99 per cent. of the company's income for 1925 had been received in cash. As the result of the addition of $50,000 to the rest fund the reserve has now been brought up to a total representing more than 110 per cent. of the paid-up capital.

The balance sheet shows that during the year currency debentures increased from $240,767 to $270,517, and savings deposits from $85,920 to $95,757. Sterling debentures at $1,532,447 showed practically no change. Total assets stand at $3,512,408. Of this total, over $2,000,000 is represented by mortgages and about $1,235,000 by loans on high-class bonds and debentures.

MYERS PRESSES CLAIM THAT BINGO MINE HAS A REAL VALUE

(Continued from page 19)

high as $40 to the ton, whereas a study of the assay plans had led to an expectation of about $20. This was regarded as so remarkable that an independent assay was made, with the result that the estimate was confirmed.' This made Sir William Maxwell and Captain Sherburn all the more eager to examine the property for themselves. 'We examined the ground very carefully,' said the former, 'and also the personnel of the mine, and we are absolutely satisfied that nothing connected with the mine has been exaggerated.'

"Sir William added that a syndicate, of which he was chairman, was the owner of the McCafferty mine, about four miles away from the strike of the Bingo. There they had got down about 60 feet, and it was proving a most promising proposition.

"Obviously, in face of this definite and explicit statement by the chairman of the company, Sir William Maxwell, the question must be asked what reliance can now be placed on his judgment? Of his tactics in endeavoring to throw the company into liquidation before meeting the shareholders, there can, we think, be only one opinion.

"Whether the property is as worthless as he now assumes, is open to some doubt. It would be interesting to know whether any further work was done on the McCafferty mine, of which he is also the chairman, and which he told Canada was on the strike of the Bingo, and at the time of the interview 'was proving a most promising proposition.'

"It is obviously due to the shareholders that Sir William Maxwell should give an account of his stewardship at a general meeting. Even presuming that the Bingo and Trapper claims are as valueless as he now tells us, the corpse should not be buried without an inquest."

New Quebec Syndicate Presented as a Gamble

A new Quebec syndicate, Knox-Wiltsey, holding 200 acres in Rouyn, north-east of Horne Mine, has made its appearance. It is being presented to the public as a pure and simple gamble, with its location and geology as its chief recommendations, which is rather unique in these days of flamboyant claims. Some work has been done on the surface in a heavy sheared zone, showing $1.20 to $8.40 gold, with a very low copper content.

TORONTO GENERAL TRUSTS REPORTS A SPLENDID YEAR

Earnings Increased and Growth of Estates Business Continued

With increased profits and continued expansion of assets under administration the annual report of the Toronto General Trusts Corporation will undoubtedly be well received by the shareholders. The net earnings amounted to $381,941 compared with $358,690 in the previous year and $325,326 in 1923. The amount appropriated for taxes increased from $35,000 to $51,925; $13,000 was written off premises. After the payment of dividends $50,000 was added to the reserve and the balance increased from $107,364 to $134,380. Following are comparative figures from the profit and loss records:

Profit and Loss

	1925	1924	1923
Profits	$381,941	$358,690	$325,326
Writ. off premises	13,000	50,000	.....
Taxes	51,925	35,000	26,000
	$ 64,925	$ 85,000	$ 26,000
	$317,016	$273,690	$299,326
Bal. forward	107,364	73,674	119,347
	$424,380	$347,364	$418,673
Distribution—			
Dividends	$240,000	$240,000	$240,000
Reserve	50,000	.....	105,000
Balance	134,380	107,364	73,674
	$424,380	$347,364	$418,674

Nine Years' Record

Year	Paid-up Capital	*Net Profits	% Div.	Profits Av. Cap.	Earn. Rate
1925	$2,000,000	$317,016	12	15.8	6.8
1924	2,000,000	273,690	12	13.6	6.0
1923	2,000,000	299,326	12	14.9	6.5
1922	2,000,000	183,969	12	9.1	4.0
1921	2,000,000	271,806	12	15.1	6.0
1920	1,726,960	287,646	11+1	19.1	7.6
1919	1,500,000	292,717	10+2	19.4	8.1
1918	1,500,000	266,369	10+1	18.0	7.6
1917	1,500,000	252,866	10	17.0	7.4

*After deducting income tax and amount written off.

The total assets under the care of the corporation amount to $152,791,520, being an increase of $8,752,311 from the preceding year. The guaranteed trusts account, consisting of monies invested with the corporation for a fixed period at fixed rates of interest, shows an increase of nearly $1,000,000, the total amount of this account now being $12,277,392. Of securities held for investment in this account, $8,449,566 is represented by mortgages, $3,623,190 by government bonds and municipal debentures and $204,736 by cash in chartered banks, or in other words the full amount of securities held in this account are investments authorized by law for trust funds.

The total volume of assets of estates, trusts and agencies being administered by the corporation amounts to $135,628,255, of which $86,170,611 is represented by original assets

Year	Capital Account	Guar. Trusts Account	Estates, Trusts, etc.
1925	$4,885,872	$12,277,392	$135,628,255
1924	4,861,673	11,300,342	127,877,193
1923	4,819,568	10,235,117	122,785,353
1922	4,782,458	8,633,503	115,681,079
1921	4,915,357	7,741,339	107,596,746
1920	4,389,768	9,124,317	100,248,287
1919	3,882,637	9,476,559	87,763,834

SAYS HUDSON BAY LINE NO AID TO WESTERN FARMER

(Continued from page 1)

afresh a great marketing centre for Western grain.

"The province of Ontario awaits the construction of the St. Lawrence deep waterway to give her ocean ports and looks forward to watching great ships go sailing by loaded with the products of the West. Meanwhile the Maritime Provinces and the City of Quebec, casting a jealous eye at the millions of bushels of Canadian grain that go out through American channels, ask if all these projects are afoot in Canada and if our eastern seaports are to be left entirely out of reckoning. They point to the building of the National Transcontinental Railway, the expenditures by the governments of Canada of large sums of money on building elevators and harbor improvements to bring trade to Canadian seaports and provide an all Canadian route for our grain.

"Each of these schemes makes a direct appeal to the pocket book of the Western Canadian farmer, the favorite figure of those supporting these schemes being about ten cents a bushel. Julius Barnes gives that figure for the St. Lawrence. J. G. Scott of Quebec, my colleague on the Royal Grain Enquiry Commission, suggests a rate basis to that city that would save the Western farmer ten to thirteen cents a bushel; the Hudson Bay route is to save the farmers at least ten cents a bushel. As to the precise amount that would accrue to the farmers within the circle of the Pacific, if Premier Oliver could establish his contentions completely, I can only say that the sum is large, very large, for I have not on hand the latest speeches of that gentleman.

All Out of Public Purse

"All of these schemes make no appeal to private enterprise but call for government intervention. There is no suggestion that private capital could be induced to build either the Hudson Bay Railway or construct a deep water channel from Lake Ontario to Montreal. With respect to the lower railway rates that are being demanded by the City of Quebec and by the Maritime ports, with the allegation that these low export rates would be profitable to the railroads, the men who are producing dividends for the C.P.R. and those who take pride in announcing improving conditions on the Canadian National lines, are unable to see what is claimed to be an easy avenue to profitable revenues. If the Maritime provinces and British Columbia could prove to the railways that the low rates asked would be remunerative, they would speedily go into effect.

And the Taxpayers Pay

"All these schemes are presented as being of great national importance, with considerations at stake that override ordinary commercial tests of soundness. The burden of expenses to fall mainly upon the taxpayers of the country at large. If the Hudson Bay route should prove an economic failure, the deficits will have to be covered by taxation upon the people of Canada as a whole. They will foot the bill. Even more obviously is this the case with respect to the St. Lawrence system of canals. It is estimated that the new Welland canal when completed will cost over one hundred million dollars, but I have heard no suggestions that tolls high enough to yield carrying charges of six million a year are to be levied upon the users of that canal. Nor have tolls even been considered with the more ambitious scheme to make a 25 or 30 foot channel from Lake Ontario to Montreal.

"Let us now turn to the Hudson Bay project. Since this project has been endorsed by all political parties in parliament and now seems likely to be completed at an early date, it is rather academic to discuss the wisdom of the policy of building that route. I really do not think it will for a long time, if ever, be of much importance to the grain growers of the west, unless heavily subsidized. It may have more significance to the stock breeder and the area opened by the railroad may lead to mining developments. I confine myself to the prospects of the route as a grain carrier.

"In the first place, there is the shortness of the season. The most general opinion by men who have been in Arctic waters appears to be that the season would close somewhere between October 20 and November 1. This curtails the fall season most severely. The export of wheat and flour out of Canada for the fall season of 1925 shows approximately 34,000,000 bushels of wheat shipped out in September and October and 121,000,000 bushels in November and December our of a total for the whole crop year of 289,000,000 bushels. Further it does not appear that the port will be reachable until about the first of August. During the month of August, 1924, only eight million bushels were kept for shipment that month. I do not consider it likely that grain growers would ship their grain to terminals to Port Nelson with a view to holding it there for shipment in August the year following. It would be out of the market and could not be delivered on contracts if a favorable situation developed.

"If the grain handling equipment at the port will only be actively doing business two or three months of the year, then the overhead charges upon capital investment will be very high, since in that short period of use, interest will have to be earned on the cost of the plant.

"All reports agree that vessels of a special type are needed to withstand floating ice. This means a ship of added cost and lessened capacity. Where could such boats be profitably employed the remainder of the year in competition with the less costly and more commodious vessels in general use? The evidence before the senate committee states the preferred draft is a vessel drawing 17 feet. Vessels of this draft are much less efficient than vessels from 24 to 27 feet draft. Insurance charges upon the cargoes and the hulls of vessels going into Hudson Bay would be higher than even those placed upon vessels entering the St. Lawrence.

Altering Business Routes

"Finally, it is one thing to build a railway and harbor works, as many seaports in Canada have found out, and quite another thing to persuade business to leave its familiar channels and go that way. Established ports are highly organized and in sharp competition with each other to secure and handle traffic. The port of Montreal pays a man the salary of a cabinet minister to scour Europe and Great Britain for traffic for Montreal. Behind all the world's important ports you have a large and enterprising city exerting all its strength and prestige to make the port attractive. There is no city at Port Nelson and no organized commercial enterprise peculiarly interested in its development.

"For all these reasons, I see no large immediate gains coming to the grain growers from the completion of the project, but in fact the evidence is that the Dominion Government will have a bill to foot as a result of its construction, one that will fall upon the taxpayers of Canada.

St. Lawrence Route Too

Referring at some length to the St. Lawrence proposed ocean going channel, Dr. MacGibbon said that there appeared to be no doubt that the power side of the enterprise was sound from a pecuniary standpoint, if we wish to export Canadian power to the United States, but as the 25 ft. channel proposed would allow only vessels loaded to about 22½ or 23 feet to enter or leave the Lakes, the route would be limited to the smaller, less efficient and slower ocean-going vessels and it is doubtful if this would attract sufficient tonnage at a low enough rate to stand a toll that would provide payment for the annual carrying charges. A thirty-foot channel would increase the total costs of construction to such an enormous degree that it would more than eat up the savings secured from lower transportation costs. It is silently assumed, however, that the new channel will be free of tolls, which would mean a gigantic subsidy donated to the users of the route.

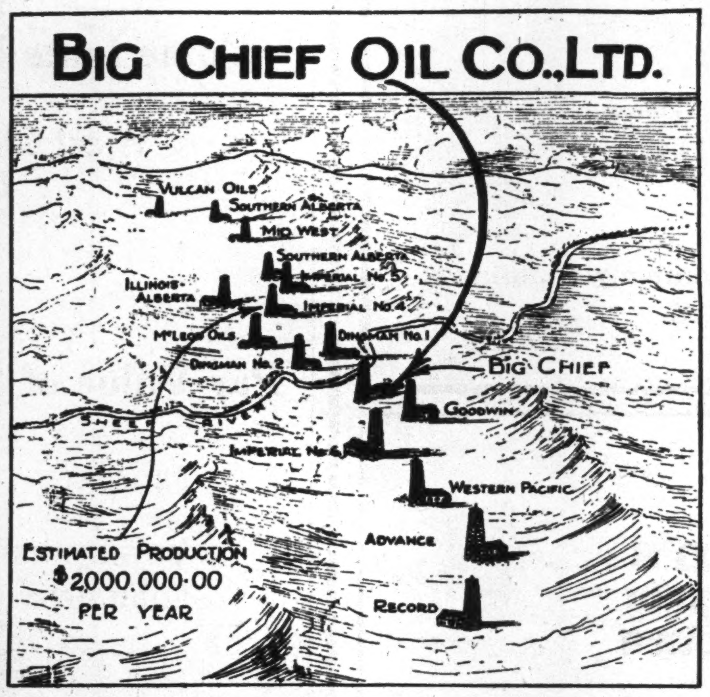
"Here you have the same situation as with respect to the Hudson Bay route. Large expenditures have already been made on the Welland canal which will not be of much use unless the St. Lawrence project is completed, and it is argued that in

(Continued on page 23)

Attention Merchants and Manufacturers

Do you want to reduce your stock or sell your business? An expert staff of Salesmen at your disposal. Let us show you our plan.
Locators, Canada's Leading Business Brokers, 331 Bay Street, Toronto.

At This Very Moment "Big Chief's" Drill Is Going Deeper, Deeper ——————



"CALGARY.—Oil production from Imperial Oil's Royalite well shows a steady monthly increase in production. Figures for the last six months total 85,515 barrels, which, at a valuation of $6 a barrel would net $513,090. Production has steadily risen from 9,000 barrels last Jan. to 14,000 in June while the November output was 15,417. It is estimated that in eleven months the well has produced $783,000 in naphtha besides averaging 18,000,000 cubic feet of gas per day. Only recently did the company get its plant ready to treat this gas which it is now selling at 10c. per 1,000 cubic feet.

Drilling of the past six months has shown the Turner field to be much vaster and more complicated from a geological point of view. This is due to the presence of many faults through the centre of the field. Experienced drillers say the field is the hardest drilling proposition on the continent. Despite this, not a single operation has quit and all will continue right through the winter. Operations are going on with the greatest vigor."—"BIG CHIEF" included.

APPLICATION FOR SHARES IN THE BIG CHIEF OIL COMPANY, LIMITED
G. A. WANLESS,
Suite 222, 190 St. James S., Montreal.

I hereby apply for and agree to buy..............shares from you in the Big Chief Oil Company, Limited, at One Dollar per share, and herewith pay you .... dollars, being one-quarter of the purchase price, and agree to pay the balance............within thirty days after a producing well is brought in on the Company's holdings.

Name ....
City .... Province ....
Street (if any) ....

To Your Greater Profit If You Act NOW!

"BIG CHIEF" IS NOW DRILLING NIGHT AND DAY—down toward the main oil body that spells the same success which surrounding wells have got.

After all there's no mystery, no miracle about your chances for spectacular returns from an investment in "BIG CHIEF" shares:—

a. The Turner Valley is a definitely accredited oil field which is attracting the attention of the biggest oil interests throughout the world.

b. Oil has been struck to a substantial and highly profitable degree in the Turner field. Take Imperial's "Royalite" No. 4 for example, the production of which is valued at over $2,000,000 a year. Other recent strikes—Vulcan No. 1 at 3,200 feet; McLeod No. 2 at 2,777 feet—still others that must surely soon uncork—all demonstrate the possibilities of the field.

c. "BIG CHIEF" is located in the very heart and center of the Turner Valley field.

e. The Big Chief Oil Company, Limited, is sponsored by reputable Canadian business men, is capably managed, with experienced men in charge of the drilling operations.

f. All profits will go to shareholders for "BIG CHIEF" has no promotion stock, no founders', management, or preferred shares. Thus is assured the maximum of cash for development work, the maximum of profits for all shareholders.

BUT HE PROFITS MOST WHO ACTS FIRST

Obviously with the showings and the progress all around "BIG CHIEF"—with "BIG CHIEF'S" drill going deeper, deeper—the present offering of "BIG CHIEF" stock, carrying the privilege of taking up three shares after production for each share paid in cash, will almost certainly be withdrawn.

Discounting the thrill that spectacular profits from oil holds, thinking it through calmly and with restraint, figure it out for yourself that it will pay you to act now.

Remember, each original shareholder in the "BIG CHIEF"—"BIG CHIEF" shares may now be secured at $1.00 each on terms equivalent to one-quarter cash and the balance after production—will have the right to take up three times his original holdings at one dollar per share within thirty days after oil has been struck—when obviously shares will be eagerly sought at high prices. This offer is subject to withdrawal without notice.

Your cheque attaches readily to the application form. Fill it in and mail it today. You have a right to expect your ship will come in—on a sea of oil.

Certificate for Shares paid for is issued immediately, together with Letter of Allotment protecting you on the unpaid balance.

G. A. Wanless
Suite 222
190 St. James St. Montreal

DUNCAN REPORT BRINGS THE MAIN ISSUES TO HEAD

But Much May Depend Upon How the Political Cat Jumps

A CRITICAL PERIOD

A Great Deal in Future of British Empire Steel and of the Maritimes Depends on Early Events

From Our Own Correspondent.

SYDNEY.—Responsible leaders on both sides have refrained from comment, and at the present moment public opinion among the miners is crystallizing very slowly on the subject of the Duncan report. The document is of such colossal proportions that even for the few thoroughly familiar with the many subjects it embraces, it is by no means easy to say yet just what its effect will be.

No newspapers in the actual coalfields have yet expressed themselves very strongly one way or another, and others at a distance have merely paid the customary tribute to the labors and impartiality of the commissioners. There is some inclination to lie low and see how the political cat is going to jump. In this inveterate partisanship lies the secret of much of the backwardness of the Maritime Provinces, industrially and otherwise.

Perhaps the best way to size up the situation resulting from the report is to consider who is going to be displeased by some of its principal findings.

Points For the Men

First the company is not likely to relish (1) abolition of its police force and the admission of the existence of a "spy system"; (2) restoration of the "local contracts" system after fighting five or six months to get rid of it; (3) the intimation that its resident executive officers lack sympathy with the industry because they have not "technical training and mining experience"; (4) unreserved recognition of the U. M. W. (It is generally believed the last strike was fought largely to get rid of the American organization which forced its way into the coalfields during the war years when labor held the upper hand.); (5) the prospect of having its books overhauled by representatives of the U. M. W. every six months or so to see if it can afford to pay the miners more money.

Points For the Company

The U. M. W. cannot but be chagrined by (1) abolition of the check-off which is vital to the maintenance of the union and (2) intimation that the strike of 1925 was not justified and that Besco's wage cuts of that and preceding years were justified.

Recommendations which will be acceptable to all—company, miners and public—are (1) for establishment of coking plants to secure a larger share of the Upper Canadian market (2) and a two-year contract.

Body Blow to U. M. W.

So far as the immediate application of the report goes, the miners are probably harder hit than the company, for the reason that the men cannot force Besco to put into effect those findings which may be disagreeable to it; while there is little doubt the men will be expected to accept the wage cut and the abolition of the check-off. The latter is a body blow, for without the collection of dues through the company office which enables it to maintain a 100 per cent. organization, the U. M. W. would probably have half its members in bad standing all the time. That this condition is not peculiar to miners, any tax collector or treasurer of a fraternal society can testify.

Fortunately, or unfortunately, things must soon come to a head. The interim contract (approximately 8 per cent. off 1924 rates) under which the men are now working soon terminates, and a new one must be negotiated. Then will be seen what practical value the Duncan report will have as a basis of negotiation and settlement.

No More Deadlocks

One valuable result anticipated is that if the principals again deadlock, the government can lay down a settlement proposition of its own, based on the findings, and bring public opinion to bear to force its acceptance.

Meantime, matters go from bad to worse in the coalfields. At Glace Bay starvation stares a large population in the face and the town authorities wrangle with the N. S. government over what shall be done. Premier Rhodes offers to guarantee town bonds for relief purposes; the town declines and demands a straight provincial grant of $10,000 and coal contracts. Mr. Rhodes sticks to his first proposition.

At Sydney Mines like conditions obtain. Similar offers and counter claims are made and rejected, and relief committees do what they can to feed those who are worst off.

In Sydney, the steel plant works steadily, but Besco continues to lop off surplus officials, and every train leaving the city carries people from the coalfields and steel plants bound for Florida and other lands of promise. Behind all, parochial politicians scheme and plan—not to relieve the situation, but to twist it to their own purposes.

Civic administrators are at their wits' ends for funds, and it seems that if rejuvenation of the coal and steel industries is not speedily forthcoming the whole population may be forced to remove to the States and Upper Canada.

Hydro Enters New Era; Protection of Investment

(Continued from page 1)

that the province's growing power demands will have to be met in the immediate future at least by further expansion of the publicly-owned power enterprises of the province. This expansion in power output will shortly be needed. The present resources of the province more than match the present demand, but will not care for further than natural growth during the next year or two. But while Ontario's publicly controlled power supply will continue to grow and the provincial and municipal investments will reach still higher totals, the Hydro has passed into new conditions. Now the emphasis is upon protection rather than construction; upon management rather than upon control of public opinion; upon conserving the investments that have been made rather than upon rousing communities to load the Hydro band wagon with further bags of gold from the purse of the citizenry.

Now Has a Good Leader

Ontario is fortunate, at this time of change, in having as the head of the Hydro-Electric Power Commission such a well tried administrator as Charles A. Magrath, an engineer of ability, an executive of soundness, and a man who manages to combine with these qualities some power in winning and holding the public confidence.

There is reason to believe that Magrath was put in charge of the Ontario Hydro because it was realized that the conservation of the investments that have been made and the protection of Ontario industry in regard to its power supply were recognized as the dominant considerations at the moment. When Magrath was tendered a dinner by the engineers of Ontario the prime minister of the province, Hon. G. Howard Ferguson, spoke. He outlined at considerable length the immense degree to which Ontario's whole economic and social well being is tied up with its investment in this single enterprise. He referred as well to the growing demand for power and the obvious requirement for a larger supply from year to year which would have to be made available if industry were not to suffer. And he emphasized as well the fundamental point that the money that has been put into the enterprise to date must be protected by sound and able management.

Size of the Hydro Business

A word as to the scope of the Hydro enterprise would not be amiss at this juncture. The Ontario Hydro-Electric Power Commission has a generating capacity now of 950,000 n. p. of electrical energy, all from water power and most of it from the Niagara River. The power output of the commission has been brought to this large total by the completion of the two most recent units of the power plant development near Queenston, where water brought by canal from above Niagara Falls is poured again into the river at a considerable distance below the whirlpool rapids. This plant is now capable of producing 550,000 h.p., and in fact has already attained this figure on the occasion of some peaks in demand.

The power developed by the commission is supplied to 449 municipalities, including 23 cities; 85 towns; 105 villages; 74 police villages and 162 townships. The area served includes about 2,250,000 people, or three quarters of the total population of the province. The provincial hydro acts as a generator and chiefly as a wholesaler of power, although it also sells power at retail to a number of important industries and other institutions. In the main, though, it sells the power to the local distributing systems, which are municipally owned. Through these systems, well over 400,000 customers are being served.

Immense Sums Invested

To build up this immense enterprise, $190,000,000 had been invested directly under the supervision of the provincial system to October 31, 1924, while a further $72,000,000 had been invested by the municipalities served. This made the investment of $262,000,000 at that date and it is likely, although the figures are not available, that the investment, at the present time, falls little short of $300,000,000.

This is the investment that Mr. Magrath must protect; must protect, be it said, with an operating and engineering organization of recognized ability, but with very mediocre associates on the commission itself.

More Power Is Needed

Secondly, as has been pointed out, he has ahead of him the task of finding, developing and supplying more power to meet the growing demands of industry. Mr. Magrath has himself referred to the need for more power. This month he said:

A year ago, it was estimated that the load on the Niagara system might, during the year, reach about 715,000 horsepower, but this demand has been exceeded, and, under conditions similar to last year, the maximum peak has actually reached 750,000 horsepower. This growth reflects an encouraging improvement in general industrial and commercial conditions, and, should it continue, next year's demand, under similar conditions, would reach 800,000 horsepower. The total load served by the Commission during the year for its various systems is about 900,000 horsepower. When it is realized that all the plants that the Commission has under construction will, when fully developed, yield about 1,000,000 horsepower, it is obvious that the remaining margin of security against an oncoming power shortage is even less than it was estimated to be a year ago.

And the premier on this point has said:

"The situation now is critical. The Niagara River and many inland waters are practically exhausted. In the east, there is tremendous energy undeveloped. This province has insisted and will continue to insist that this power be given to the country. Development of the St. Lawrence and the Ottawa Rivers must start in the near future."

Both the prime minister and the chairman of the Hydro Commission seem to favor development of the St. Lawrence River as the logical source for further power. Mr. Magrath has shown little tendency to warm up to the suggestion of steam plants as a source of power. At the dinner referred to he said:

"I feel hesitancy about making large capital expenditures now on a steam plant. Why should we, when we have power running to waste in interprovincial and international waters? While steam plants are an essential, development now would simply be putting off the evil hour. Why should not the province be able to use international waters? There is no reason why we should be held back while two federal governments come to an agreement on matters of navigation.

"I am not saying steam plants have no place in hydro development, but the St. Lawrence can be used without hindering navigation development. The time is not far distant when Canada is going to make great progress. We can make this country anything we wish, if we make up our minds. The steam plant idea is not a big enough vision. I do not want to alarm anyone about a shortage of power, but we must face the issue.

"I think both countries can get more power from the Niagara River, temporarily. Erosion of the falls requires immediate attention, but I would like to point out that the first stipulation of withdrawal of water was only in the nature of an experiment. I believe the taking of some more water would have no effect on either the scenic value of the falls or navigation, either on the upper or lower river. If it would, I would forget the idea to-day. I would like to see the engineering forces of both countries around a table to settle this matter."

At the moment, engineering circles are keenly discussing the steam plant question and a large body of engineers favor steam development as preferable at the moment to the St. Lawrence development. This question is typical of the large problems now facing the commission.

Some Other Problems of Moment

There are other problems, too, concerned chiefly with deciding whether or not policies that have been developed as Hydro has grown are to be continued.

For instance, has Hydro proper sinking funds to care for the retirement of the debt it has created?

Again, Hydro enterprises are virtually free of taxation. Should this unfair discrimination against privately owned plants and distribution systems be removed?

And again, the courts are closed to private parties seeking redress for grievances, real or fancied, against the Hydro Commission. Should the Hydro be given again the responsibilities of a business institution in its dealing with other corporations?

And as a still further problem: At the present time it is a widely held belief that Hydro rates are built upon the principle of giving domestic consumers service at virtually less than cost and making up the difference through heavier rates upon industry and other large consumers. Shall this rate schedule be revised?

Such further questions as these are pressing for attention. They are important problems in this new Hydro era in Ontario.

Ontario's Hydro scheme has entered a new stage. The fireworks and the stump speeches are in the background; or should be if sheer cold business administration is to rule. The politicians who have helped to make the Hydro what it is to-day and who have likewise been made what they are to-day by Hydro will have to find a new bowl of light in which to bask. The newspapers that have gloried in advancing the control of a few leaders on the mob mind will have to deal differently with Hydro. It will be, or should be, a time of more searching scrutiny of policies and developments. In fact, if there is found to be necessary a reconstruction of the enterprise with rate revisions, consolidation of finances and changes in service policies, Hydro may be a less popular political band wagon. The people may, indeed, benefit if Niagara becomes a less attractive political organism.

The position of business Ontario towards the Hydro is to-day one of expectation. It expects that the investment in the enterprise will be conserved and that the enterprise shall not be permitted to bear directly upon the taxpayers. In fact, some of the load upon the taxpayers through tax exemption, etc., will have to be lifted. Business expects, at the same time, that there shall not be stagnation in power development. If Ontario will not permit private capital to develop power in the province, then industry in Ontario demands that more power shall be forthcoming as needed from the Hydro, be it from steam or from water power development.

It would not be a just appraisal of Mr. Magrath to say that he has taken on a bigger job than he realizes. But it is probably fair enough to say that he has assumed a burden greater than the public generally recognizes.

"The total load served by the Commission during the year (1925) for its various systems is about 900,000 horse power. When it is realized that all the plants that the Commission has under construction will, when fully developed, yield about 1,000,000 horse power, it is obvious that the remaining margin of security against an oncoming power shortage is even less than it was estimated to be a year ago."

—*Chairman C. A. Magrath.*

"Ontario's power situation is now critical. The Niagara River and many inland waters are practically exhausted. In the East there is a tremendous energy undeveloped. This province has insisted and will continue to insist that this power be given to the country. Development of the St. Lawrence and the Ottawa Rivers must start in the near future."

—*Premier G. Howard Ferguson.*

EAST KOOTENAY POWER

Nine months ended December 31, 1925.

	1925	1924	Inc.
Gross	$288,770	$241,908	$ 46,862
Oper. Exp., Taxes, and Maint. ...	70,661	38,170	32,491
Net	$218,108	$203,738	$ 14,370

SAYS HUDSON BAY LINE NO AID TO WESTERN FARMER

(Continued from page 22)

order not to lose money already expended we must resign ourselves to further expenditures, willy-nilly, with increasing burdens upon the taxpayers.

"This brings me to the complaints that are being registered by the cities of Quebec, St. John and Halifax. Logically and morally I believe their position is absolutely unattackable. Transportation ventures, all purporting to be for the national benefit, are being or have been subsidized right and left by our national government. On the basis of political promises, on the ground of transportation subsidies given elsewhere, in the very words setting forth the reasons for the construction of what are now the national railways, our sister provinces by the sea and the city of Quebec have right to feel that their claims have not received full consideration.

Subsidies Only Considered

"The only way by which a volume of grain shipments can be set flowing to Canadian Atlantic seaboard ports is through parliament frankly subsidizing the route. Any rebates made to the exporter using Canadian lines and seaports after the closing of the St. Lawrence until the opening of that channel in the spring would have to fall upon the Dominion treasury.

"It seems to me silly and poor economy for the people of Canada to simultaneously be at work subsidizing two or three different transportation routes whose individual success can only be purchased at the expense of the other routes. If Hudson Bay route were successful, and many of you believe it will be successful, we would not for a long time at least, need a deep water canal down the St. Lawrence.

"I am not unaware that the whole problem might be treated from a different standpoint, from the standpoint of free trade with its insistence that there shall be special favors granted to none, with the insistence that the farmers of the west shall not carry the burden of maintaining and expanding the population of the industrial cities of the east, with its contention that industry should stand upon its own feet and make its way by native energy, ability and resoluteness. But at the present time and for nearly half a century we have had a system in Canada of subsidizing industry and transportation and if we are going to retain that system we are foolish to subsidize a series of competitive transportation enterprises."

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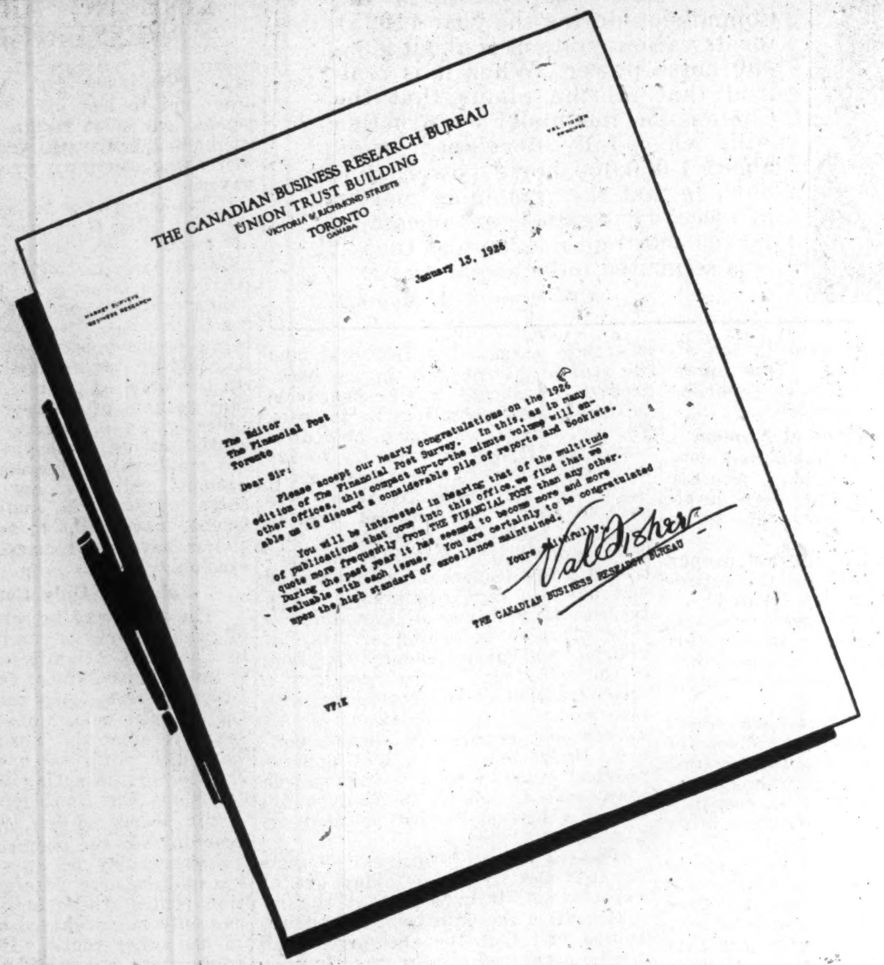

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January 13, 1926

The Editor
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